

SAGEBRUSH CONSULTANTS, L.L.C.

Cultural Resources • Environmental Studies • Historic Preservation



June 9, 2008

Jim Davis, Geologist
Utah State School and Institutional Trust Lands
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

RE: A Paleontological Evaluation of Williams Production RMT Company's Proposed Well,
State Reservation Ridge #23-16, and Its Associated Access Road, Duchesne County, Utah.
Sagebrush Consultants Paleontological Report No. 1691P.

Dear Mr. Davis:

New Tech Engineering, Inc., Denver, Colorado requested that Sagebrush Consultants, L.L.C., Ogden, Utah, do a paleontological evaluation for the proposed well, State Reservation Ridge #23-16, and its associated access road, Duchesne County, Utah, on behalf of Williams Production RMT Company, Denver, Colorado. Alden Hamblin, a licensed paleontologist on the staff for Sagebrush Consultants, completed the field survey and prepared the attached paleontological evaluation. No paleontological localities were found during these inventories.

Please let me know if you need additional information.

Sincerely,



Michael R. Polk
Senior Archaeologist/Owner

enclosures

cc: Bruce Patterson, New Tech Engineering, Inc.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML 48653	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT OR CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Williams Production RMT Company				9. WELL NAME and NUMBER: State Reservation Ridge 23-16	
3. ADDRESS OF OPERATOR: 1515 Arapahoe Street, CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (303) 606-4280	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1905' FSL & 1436' FWL 525701 X 39.861169 44121824 AT PROPOSED PRODUCING ZONE: Same as surface -110.699524				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 16 11S 11E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 33 miles SW of Duchesne- Go 28.7 miles South Hwy 33 & Turn East on Argyle Canyon g				12. COUNTY: Duchesne	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1436' from Lease line		16. NUMBER OF ACRES IN LEASE: 640.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1st well on lease - 3.6 miles SW of SRR42-2		19. PROPOSED DEPTH: 13,000		20. BOND DESCRIPTION: Bond # 6470876	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 9056' - ungraded ground level		22. APPROXIMATE DATE WORK WILL START: 8/15/2007		23. ESTIMATED DURATION: 40 to 50 days	

24. PROPOSED CASING AND CEMENTING PROGRAM						
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT	
20"	16"	H-40	65 #/ft	80	Type III Cement	100 sx. 1.15 cuft/sx 15.8 ppg
14-3/4"	9-5/8"	J-55	36 , 40	3,500	Class G -TOC-surf.	1450 sx L-11ppg,3.8 T-15.ppg,1.1
8-3/4"	7"	N-80	23	7,000	Class G - TOC -3300'	440 sx. L-13ppg,2.0 T-15.ppg,1.1
6-1/2"	4-1/2"	P-110	13.5	13,000	Class G - TOC - 3300'	1500 sx. L-11 ppg,3.0 T-14.ppg,1.2

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Steve Natali TITLE Vice President - Exploration
SIGNATURE [Signature] DATE 6/26/2008

(This space for State use only)

API NUMBER ASSIGNED: 43013-34617

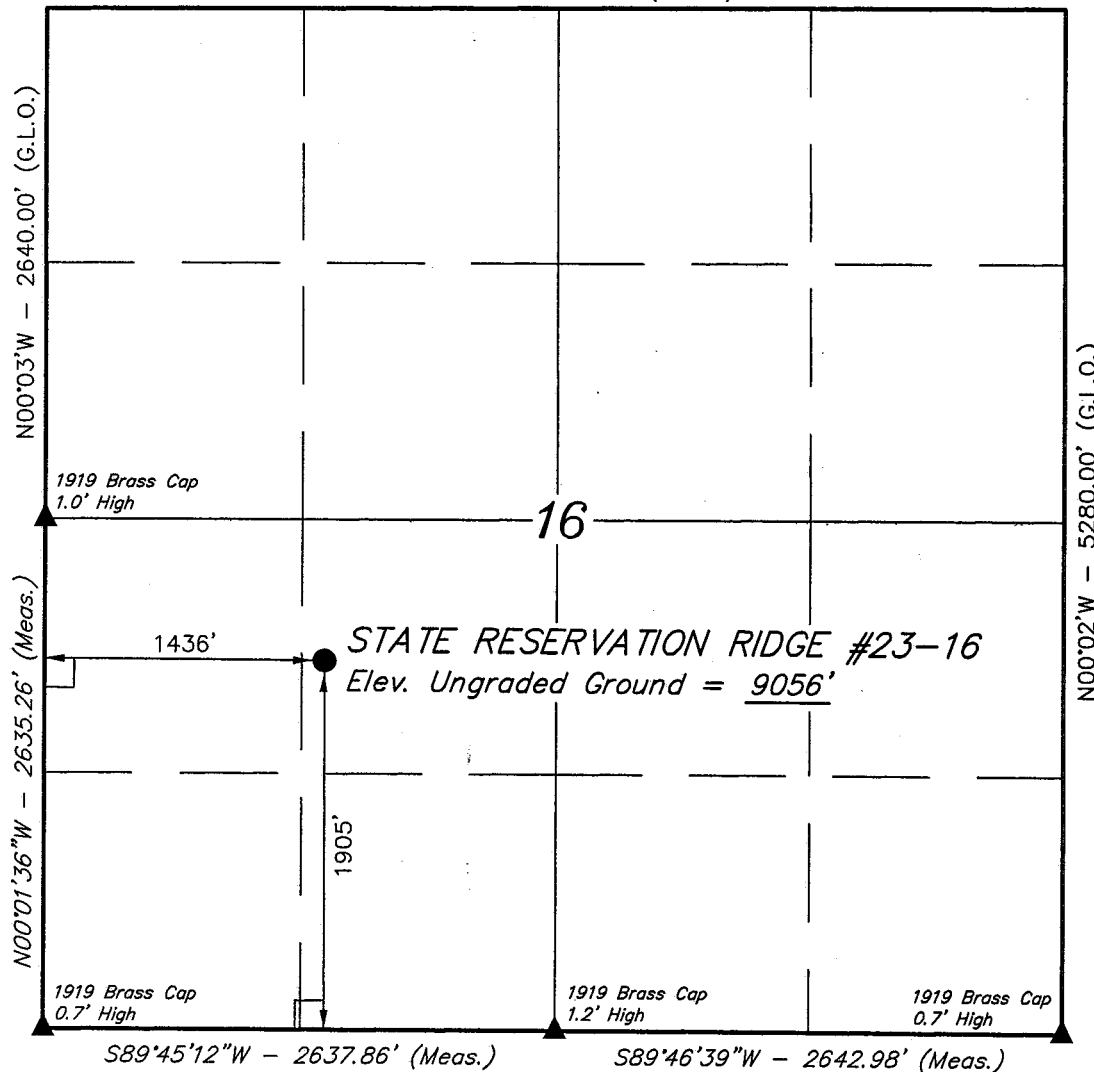
Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:
Date: 11-02-09
By: [Signature]

RECEIVED
JUN 30 2008
DIV. OF OIL, GAS & MINING

T11S, R11E, S.L.B.&M.

S89°47'W - 5272.08' (G.L.O.)



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 39°51'40.13" (39.861147)
 LONGITUDE = 110°42'00.92" (110.700256)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°51'40.27" (39.861186)
 LONGITUDE = 110°41'58.36" (110.699544)

WILLIAMS PRODUCTION RMT COMPANY

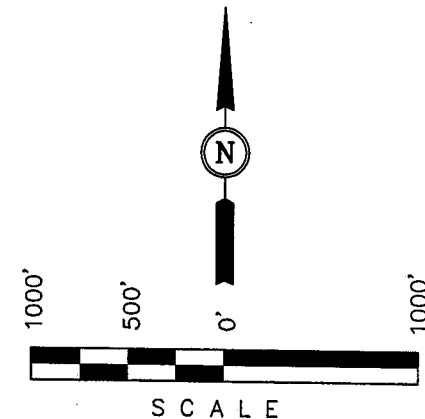
Well location, STATE RESERVATION RIDGE #23-16, located as shown in the NE 1/4 SW 1/4 of Section 16, T11S, R11E, S.L.B.&M., Duchesne County, Utah.

BASIS OF ELEVATION

ROAD TRIANGULATION STATION LOCATED IN THE SE 1/4 OF SECTION 11, T7S, R8W, U.S.B.&M., TAKEN FROM THE JONES HOLLOW QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED ON CAP AS BEING 9354 FEET.

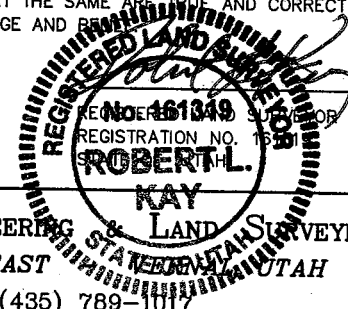
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST, SALT LAKE CITY, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 09-24-07	DATE DRAWN: 09-25-07
PARTY D.R. C.N. P.M.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE WILLIAMS PRODUCTION RMT COMPANY	

Williams Production RMT Company

1515 Arapahoe Street
Tower III, Suite 1000
Denver, Colorado, 80202

June 26, 2008

Utah Department of Natural Resource
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt lake City, Utah 84114-5801

Attn:Dustin Doucet
Petroleum Engineer

Ref: Application for Permit to Drill
State Reservation Ridge 23-16 Well
NESW Sec. 16, T11S, R11E
Duchesne County, Utah

Dear Mr. Dustin Doucet

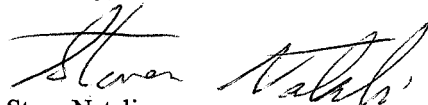
Please find attached the APD for the reference well.

1. State of Utah Form 3 completed.
2. Survey Plats and various maps for the reference well.
3. Detail Drilling Plan for the well.
4. Surface use Plan.
5. Notification Requirements
6. Well Bore Schematic and geological tops.
7. Drilling rig layout on location.
8. BOP configuration & Choke Manifold Configuration
9. Surety Bond copy
10. Cultural Resource Inventory of road and well site Pad – 21.17 acres were surveyed on the SITLA lands and no cultural resources found on lands.
11. School and Institutional Trust Lands Administration actual mineral lease # ML 48653.

Please find enclosed a complete package for an APD on the above reference well and if there are any questions or problems please call Bruce M Patterson – Permit Agent for Williams Production RMT Co. in Utah or email Bruce at bpatterson@newtecheng.com.

Williams has a drilling rig under contract to start moving into location the first week of August 2008 hopefully the permit paper's submitted would be ready by that time, thank you for all our help.

Sincerely,



Steve Natali
Vice President - Exploration
Williams Production RMT Company

RECEIVED

JUN 30 2008

DIV. OF OIL, GAS & MINING

DRILLING PLAN
For
Well Name: State Reservation Ridge 23-16
« Surf Loc: NE/4, SW/4, 1905' FSL & 1436' FWL Section 16, T11S, R11E
Btm.Hole Loc: Vertical well other than natural drift of the area.
« Section 16-T11S-R11E S.L.B.&M.»
Duchesne County, Utah

1. Geologic Information

Geologic Surface Formation: Upper Green River

Estimated Tops of Important Geologic Markers: (Measured Depth)

Formation:	MD	Interval thickness
Ground Level	9056	
Upper Green River	19	14'
M. Green R. (Mahogany Marker)	33	2350'
L. Green River (Castle Peak)	2383'	700'
Ute land Butte	3100'	300'
Wasatch/Colton	3400'	1100'
Flagstaff	4490'	1100'
North Horn	5600'	2100'
Price River	7500'	1200'
U. Castlegate (Bluecastle)	9100'	500'
L. Castlegate	9600'	500'
Blackhawk	10000'	800'
Star Point	11,000'	500'
Mancos	11,500'	300'
TD	13,000'	

Permit TD: 13,000' MD – Anticipated BHP: 5,980 psi.

2. (A) Fresh Water zones may exist in the upper, approximately 1000 ft of the Green River Formation.

(B) Surface casing is anticipated to be set at 3,500 ft. and cement isolation is installed to surface of the well isolating all fresh water zones by cement.

3. The Type and Characteristics of the Proposed Circulating Muds:

There will be sufficient mud materials on site to displace the hole at any time.

DEPTH	TYPE	WEIGHT Lbs./GAL	VISCOSITY SEC/QT	FLUID LOSS CC
0 – 3,500 ft	Water/Gel/Polymer	8.4 – 8.8	28-60	N/C
3,500 – 9,000 ft	Water/Anionic Polymer	8.4 – 8.8	30 – 50	N/C
«9,000»-TD	LSND Mud System	8.8 – 10.	38 - 70	5-10

4. The Operator's Minimum Specifications for Pressure Control:

William's Minimum specifications for pressure control equipment are as follows:

BOP Schematic Diagram attached.

Ram Type: 11" Hydraulic double with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approve stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

As a minimum, the above test shall be performed:

- a. When initially installed;
- b. Whenever any seal subject to test pressure is broken.
- c. Following related repairs; and
- d. At 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Pipe and blind rams shall be activated each trip; however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum Requirements State of Utah, Division of Oil, Gas, and Mining rules and regulations for Blowout preventers for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a State Field Inspector representative upon request.

BOP system shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The location of hydraulic controls will be at the accumulator and on the rig floor.

The Utah Division of Oil, Gas and Mining office (801-538-5340) shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a Utah Division of Oil, Gas, and Mining representative on location during pressure testing.

- a. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up Line.
- b. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

- c. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

5. **The Proposed Casing and Cementing Programs:**

HOLE SIZE	SETTING DEPTH (INTERVAL)	SECTION LENGTH	SIZE (O.D.)	WEIGHT, GRADE & JOINT	NEW/ USED
14-3/4"	0 – «3500 ft.»	«3500 ft.»	9-5/8 "	40 & 36 #/ft, J-55, ST&C	New
8-3/4"	«3,300 to 7,000'»	«3,700 MD ft»	7"	23#/ft, N-80, LT&C-Drigliner	New/Used
6-1/2" OR	Surf. to TD	13,000' MD	4-1/2"	13.5 #/ft, P-110, LT&C	New
6-1/4"					

Design Factors:

Tension:	1.5
Collapse:	1.25
Burst:	1.0

Surface water will be protected by the initial surface casing (9-5/8 ") set at \pm «3,500 ft.». Initial surface casing will circulate cement back to surface to protect potentially fresh water zones, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

Cement Program:

Surface Casing: 9-5/8" casing @ 3,500' (assumes 75% excess)

Lead Slurry: (surf – 2,500' MD) 920 sx Premium Lite Class G Cement + 5% bwow Salt + 10 % bwow Bentonite Gel +1 % Chemical Extender + .125 % Polyflake + 1 % Calcium Chloride + .2 % Antifoamer + .25 % Cement Fluid Loss Additive (vol. factor, Wt. 3.89 cuft/sx, 11 ppg)

Tail Slurry: (2,500' – 3,500') 530 sx Class "G"+ 1 % bwoc Calcium Chloride + 0.125 lbs/sx Cello flake (Vol factor, wt. 1.15 cuft/sx., 15.8 ppg)

Top out Slurry: (60' – 0) 75 sx Class "G"+ 1 % bwoc Calcium Chloride +.125 lbs/sx Cello flake (Vol factor 1.15 cuft/sx, 15.8.)

Float equipment on Surface Casing:

1-Mannual Fill Guide Shoe, 1 jt. - 9-5/8" casing, 1- 9-5/8" Insert float collar (PDC drillable with lock & latch/anti-Rotation wiper plug receiver). Centralizers 1-10' above shoe, 1 above the insert float collar, and place one centralizer on every 3rd joint to the surface (Total = 31 centralizers).

Contingency Drilling Liner: 7" casing @ 7,000' MD) (assumes 45 % excess)

Lead Slurry: (3300' – 6500' MD) 335 sx Class G Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 8 % bwoc Bentonite + 5 % bwoc Salt (vol. factor, wt. 2.06 cuft/sx, 12 ppg)

Tail Slurry: (6500' – 7000'MD) 105 sx Class "G"+ .5 % bwoc Calcium Chloride + 0.125 lbs/sx Cello flake (Vol factor, wt. 1.15 cuft/sx., 14.5 ppg)

Float Equipment on the 7" contingency drilling liner:

1- 7"-Mannual Fill guide Shoe, 1 jt. 7" casing, 1-7" Insert float Collar. Centralizers 1-10" above shoe, 1-above the insert Float collar, and place one centralizer every 3rd. joint (Total centralizers - 33).

Production Casing: 4-1/2" casing @ 13,000' MD) (assumes 45 % excess)

1 st. Stage thru Shoe at 13,000' MD

Lead Slurry: (3,000' – 9,800' MD) 1000 sx Premium Lite G Cement + 1% bwoc Chemical Extender + .125 lbs/sack Cello Flake + 12 % bwoc Bentonite + .2 % Antifoamer + (vol. factor, wt. 3.06 cuft/sx, 11.0 ppg)

Tail Slurry: (TD'- 9,800'MD) 500 sx 50:50 Poz:Class "G"+ 2 % bwoc Bentonite Gel + 0.125 lbs/sx Cello flake + .2 % Wide Range Retarder + .2 % Uniflac + .2 % TIC Dispersant(Vol factor, wt.- 1.29 cuft/sx., 14.1 ppg)

Float Equipment on the Production Casing:

1- 4-1/2"-Mannual Fill guide Shoe, 1 jt. 4-1/2 casing, 1-4-1/2" Insert float Collar. Centralizers 1-10" above shoe, 1-above the insert Float collar, and place one centralizer every joint up to 7,100' MD (Total centralizers - 98).

1-4-1/2" ported collar tool at 7,100'MD, place 1- cement basket just 1 jt. Below the ported collar tool, then 1 centralizer 10' above ported collar tool and on the next casing collar above ported collar tool, then every 2 nd joint up to 3300'MD (Total centralizers in 2nd stage- 50).

A two stage cement program could occur if the pay zones are separated far apart. If the pay zone is only in the bottom objectives then a single stage cement program would be used. Premium G High Strength cement would be used to get a cement top approximately 7,100 ft. MD.

Premium G High Strength cement would be used to get cement top approximately 500 feet above the potential pay zone.

The actual cement volumes and additives will be determined on the basis of open hole logs, (caliper log), drilling hole conditions, and field blend testing to confirm thickening, pumping time.

The following shall be entered in the driller's log:

- (1) Casing run, including size, grade, weight, and depth set;
- (2) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cement float equipment, etc.;
- (3) Minimum of 8 hrs or greater will be done waiting on cement time for the surface casing;
- (4) Surface Casing pressure tests will be completed before drilling out of surface casing shoe, including test pressures and results.

6. Evaluation Program

The anticipated type and amount of testing, logging and coring are as follows:

A.. No drill stem test is anticipated in this well bore. However, if a DST's are run, the following guidelines will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if

adequate lighting is available(i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions, or displaced into the formation prior to pulling the test tool. This would involve providing some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the well bore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

B. Electric Logs/ Coring/ Mudlogging:

1. Surf to 3500' - Surface casing – GR/DIL/CNL/FDC
2. GR/DIL/CNL/FDC, GR/BHC-Sonic/ Caliper, will be run from T.D. to surface casing shoe or if 7"- contingency liner is run then the 1 st logging pass will cover from the 7" liner shoe point to base of surface casing and then 2nd run will be from T.D. to 7" liner shoe point. A GR/ FMI Log will be run from TD to 7,100 feet.

C. No cores are anticipated.

D. The mud loggers will be on the spud of the well at 60' MD to TD.

7. **Anticipated Pressure & H2S**

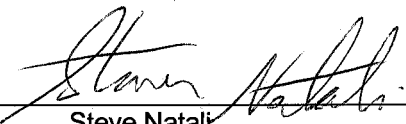
- a. Estimated bottom hole pressure to be 5980 psig.
- b. No hydrogen sulfide gas is anticipated, however if H2S is encountered, the following items will be done.
 1. Gas detecting equipment shall be installed in the mud return system for exploratory wells or wells where abnormal pressure is anticipated, and hydrocarbon gas shall be monitored for pore pressure changes.
 2. Any unconfined gas, which exceeds 20 ppm H2S gas, produced during testing or swabbing must be separated and flared. There must be a pilot light on all sour gas flares to insure continuous ignition.
 3. Warning signs must be place at appropriate entrances onto drilling pad area or facilities for H2S.
 4. Proper breathing apparatus must be available and used when working in an H2S environment exceeding 20 ppm.
 5. A wind sock will be placed on the tank battery as to be visible from everywhere on the location.
 6. All safety equipment will be installed and working prior to entering hydrogen sulfide zones.

7. All flare system shall be designed to gather and burn all gas. The flare line(s) discharge shall be located not less than 100 feet from the wellhead, having straight lines unless turns are targeted with running tees, and shall be positioned downwind of the prevailing wind direction and shall be anchored. The flare system shall have an effective method for ignition. Where noncombustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and to maintain a continuous flare.

8. **Certification**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Williams Production RMT Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6/26/08
Date


Steve Natali
Vice President of Exploration
Williams Production RMT Company

SURFACE USE PLAN

Williams Production RMT Company

State Reservation Ridge 23-16

Lease No. ML 48653

Surface Location: NE/4 SW/4 1905' FSL & 1436' FWL

Bottom Hole Location: same as surface other than normal drift of area.

Section 16-T11S-R11E - S.L.B. & M. P.M.

Duchesne County, Utah

1. EXISTING ROADS

- a. Directions to the location from Duchesne Post office, Utah are as follows:
From the intersection Of Duchesne Utah at Intersection State Highway 40 and State Highway 191. Go South on State Highway 191 (33) from intersection go 28.3 miles South on Highway 191. Then come to Argyle Canyon Road and go 1.6 miles East on Argyle Canyon road and then turn south on the county road and follow county road for 3 miles + back into location Pad. Total Miles from Duchesne to well site pad is 32.9 miles.
- b. For access roads, see "Topographic Map, TOPO B - Access & Vicinity Map'.
- c. All existing roads within a 2-mile radius are shown on above mentioned TOPO A, B, and C.
- d. Existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- e. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.
- f. A right-of-way grant will not be required since all access is located on School and Institutional Trust Lands Administration lands or is located within the lease boundary of the section.

2. ACCESS ROADS TO BE CONSTRUCTED AND RECONSTRUCTED

- a. Contact the School and Institutional Trust Lands Administration Office at least 48 hours prior to commencing construction of the access road and well pad.
- b. The new access will be approximately 0.04 of a mile (250 ft.) in length.

C. Culverts will be installed where needed to allow existing flow and any created flow to prevent road erosion as well as standing water. The size of culverts will be in accordance with County requirements.

d. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION.

See Map TOPO "C"

- a. Water Wells - 0
- b. Injection or Disposal Wells - 0
- c. Producing Wells - 0
- d. Drilling Wells - 0
- e. APD'd - drilled - WO - 0
- f. APD'd - not drilled - 0
- g. APD'd - expired - 0
- h. PA - 0

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES IF THE WELL IS PRODUCTIVE.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective, neutral color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. The recommended color is Carlsbad Canyon. All facilities will be painted within six months of installation. Facilities required to comply with the occupational Safety and Health Act (OSHA) will be excluded.
- b. Compaction and construction of the berms surrounding the tank batteries will be designed to prevent lateral movement of fluids through the utilized materials, prior to storage of fluids. The berms must be constructed to contain a minimum of 110 percent of the storage capacity of the largest tank within the berm. All loading lines will be placed inside the berm. Any production pits will be fenced with at least four (4) strands of barbed wire and held in place by side posts and corner H-braces.
- c. New facilities contemplated in the event of production will be authorized via Sundry Notice at that time. It is anticipated that production facilities will be located on the Southwest corner beside the access road onto the pad.

- d. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the Utah Division of Oil, Gas and Mining.
- e. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
- f. All new pipelines shall be buried to a minimum depth of 3 feet when possible and at least 4 feet deep beneath roads and drainages.
- g. Where possible, new pipelines should parallel access roads and be buried at an offset distance. Any necessary power lines should also parallel roads.
- h. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.
- i. The oil and gas measurement facilities will be installed on the well location. Oil and gas meters will be calibrated in place prior to any deliveries. The Utah Div. of Oil, and Gas and Mining will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Utah division of Oil, Gas and Mining. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- j. A schematic facilities diagram as required shall be submitted to the Utah Oil, Gas and Mining office within 30 days of installation or first production, whichever occurs first. All site security regulations as per the Utah Division of Oil, Gas, and Mining rules shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance to oil and gas rules.
- k. Any venting or flaring of gas will be done in accordance with notice and may need prior approval from the Utah Division of Oil, Gas and Mining office.
- l. All undesirable events (fires, accidents, blowouts, spills, discharges) will be reported to the Utah Division of Oil, Gas and Mining Office. Major events will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- m. All access roads will be upgraded and maintained as necessary to prevent erosion and accommodate year-round traffic.
- n. Any necessary pits will be fenced to prevent wildlife entry.
- o. Water produced from this well may be disposed of in a lined pit for a period of 90 days from the date of initial production. A

permanent disposal method must be approved by this office and in operation prior to the end of this 90 day period. In order to meet this deadline, an application for the proposed permanent disposal method should be submitted along with any necessary water analysis, in compliance with Utah Division of Oil, Gas Mining as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not be approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by the Utah Oil, Gas and Mining office.

- p. The reserve pit will be properly backfilled with sufficient fill material so that no depressions will be left when the pit settles.
- q. At the request of the surface owner grazing lessee, the reclaimed area will not be fenced, only the reserve pit will be fenced.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The source of water for drilling purposes will be from Diablo Trucking and water source is neither purchased from City of Duchesne nor trucked to location or purchase water from R N Industries Inc. If an alternate water source is located, a Notice will be filed indicating the new source of water.
- b. Water will be hauled to the location along the approved access roads.
- c. Alternate water source of water will be located on School and Institutional Trust Lands Administration lands within the Section 2, T11S, and R11E if water well is completed.

6. CONSTRUCTION MATERIALS

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. No construction materials will be removed from state lands.
- c. All surfacing material will be purchased from a commercial source.
- d. Any materials to be used which are under State jurisdiction shall be approved in advance.

7. METHODS FOR HANDLING WASTE DISPOSAL

- a. Drill cuttings are to be contained and buried in the reserve pit.

- b. Trash will be confined in a covered container and hauled to an approved landfill. Burning of waste or oil is not approved, and soil material will be kept on site for re-contouring.
- c. Reserve pit fluids will evaporate or authorization for removal and disposal will be requested from the AC prior to backfilling the reserve pit.
- d. The salts and/or chemicals which are an integral part of the drilling system will be disposed
- e. A chemical porta-toilet will be furnished with the drilling rig and its contents hauled to an approved sanitary landfill. No boreholes will be used for disposal of waste materials.
- f. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

No camps, airstrips or other facilities will be necessary.

9. WELLSITE LAYOUT

- a. The rig layout is attached.
- b. A cross section of the well pad and cuts and fills are shown on the location layout.
- c. The location of reserve pit, trash cage, access roads onto the pad, living facilities, soil material stockpiles and orientation of the rig with respect to the pad and other facilities is shown on the location layout.
- d. Excess material from the reserve pit should be placed along the back side of the pit.
- e. Topsoil will be stripped to a depth of 6 inches or maximum available and stockpiled as shown on the location plat.
- f. A minimum of 2' of free board will be maintained in the reserve pit, between the maximum fluid level and the top of the berm. These pits will be designed to exclude all surface runoff. If a pit liner is not necessary, the 10' bench shown on the cross section will be eliminated.
- g. The reserve pit will be fenced on three sides prior to drilling activity and Closed off on the fourth side after drilling is finished. Fencing will be with three strands of barbed wire. All corners will be braced with a wooden H-type brace. The fence construction will be on cut or undisturbed ground and the fence will be maintained in a livestock tight condition.

- h. A silt fence will be installed at the toe of the fill slope to control erosion.

10. PLANS FOR RECLAMATION OF THE SURFACE

- a. The Utah Division of Oil, Gas and Mining Office will be notified at least 24 hours prior to commencing reclamation work.
- b. Immediately upon completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash cage and will then be hauled to an approved landfill.
- c. The reserve pit fluids will be allowed to evaporate through one entire summer season (June- August) after drilling is completed, unless an alternate method of disposal is approved. After the fluids disappear, the reserve pit muds will be allowed to dry sufficiently to allow backfilling. The backfilling of the reserve pit will be completed within 30 days after dry conditions exist and will meet the following requirements.
 - 1. Backfilling will be done in such a manner that the muds and associated solids will be confined to the pit and not squeezed out and incorporated in the surface materials.
 - 2. There will be a minimum of 5 feet of cover (overburden on the pit).
 - 3. When the work is completed, the pit area will support the weight of heavy equipment without sinking and over time shall not subside over 6-inch depth.
- d. Cut and fill slopes will be reshaped to a 3:1 contour.
- e. All disturbed areas not necessary for drilling and production operations will be seeded with a seed mixture to be supplied by the surface owner. The seed will be certified as to species and varieties by the seed dealer and shall be certified as free of all noxious weed seed. Copies of the seed certification will be submitted to the Authorized Officer during reseeding.
- f. All disturbed areas will be seeded as soon as possible after the cessation of disturbance, depending on the surface Owner's/tenant's schedule.
- g. Broadcast or drill seeding will be done depending on the surface owner's wishes.
- h. If the well is a producer, the roads will be upgraded and maintained as necessary to prevent soil erosion and accommodate year-round traffic. All areas unnecessary for operations will be reshaped, ripped, disked and reseeded

utilizing the approved seed mixture. Some topsoil will be reserved for final reclamation procedures unless the location can be re-contoured to meet final reclamation specifications. Perennial vegetation must be established.

- i. If the well is abandoned or a dry hole, the access and location will be restored to blend with the natural topography. During reclamation of the site, fill material will be pushed into cuts and up over the back slope. No depressions will be left that will trap water or form ponds. All topsoil will be distributed evenly over the location and seeded according to the approved seed mixture.
- j. All pits, cellars, rat holes and other bore holes unnecessary for further lease operations, excluding the reserve pit, will be backfilled immediately after the drilling rig is released. Pits, cellars and/or bore holes that remain on location must be fenced as specified for the reserve pit.
- k. Waste materials will be disposed of as stated in #7 of this Surface Use Plan.
- l. The operator will be responsible for the control of any listed-noxious weeds that become established on the ground which has been disturbed as a result of these drilling operations. The method of control will be at the discretion of the surface land owner. A commercial applicator will be required for the application of all chemical weed control measures.

11. SURFACE OWNERSHIP

Well site: State Of Utah through the School and Institutional Trust Lands Administration office located at 675 East 500 South, Suite 500, and Salt Lake City, Utah 84102-2818

Mineral Ownership

School and Institutional Trust Lands Administration
Mineral Lease Number: ML 48653

Township 11 South, Range 11 East, SLB&M
Sec. 16: All containing 640 acres

12. OTHER INFORMATION

- a. There will be no change from the proposed drilling and/or work over program without prior approval from the Field Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified.
- b. "Sundry Notice and Report on Wells" will be filed for approval for all changes of plans and other operations.

- c. All contractors employed to perform work on this location will be furnished and have onsite, a copy of the Surface Use Program and a copy of any supplemental conditions.
- d. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts or fossils. The operator will immediately bring to the attention of the Utah Division of Oil, Gas and Mining Area Manager any and all antiquities or other objects of historic or scientific interest including, but not limited to, historic or prehistoric ruins, artifacts, or fossils discovered as a result of operations under this permit. The operator will immediately suspend all activities in the area of the object and will leave such discoveries intact until told to proceed by the Area Manager. Notice to proceed will be based upon evaluation of the cultural significance of the object. Evaluation will be by a qualified professional selected by the Area Manager from a Federal agency insofar as practical. When not practical, the operator will follow the mitigation requirements set forth by the Area Manager concerning protection, preservation, or disposition of any sites or material discovered. Within 5 working days the Area Manager will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuring in situ preservation is not necessary); and, - a time frame for the Area Manager to complete an expedited review. To confirm, through the State Historic Preservation Officer, that the findings of the Area Manager are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Area Manager will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, in those situations where the Area Manager determines that mitigation, data recovery and/or salvage excavations are necessary, the operator will bear the cost. The Area Manager will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Area Manager that the required mitigation has been completed, the operator will then be allowed to resume construction.

- e. This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.
- f. All state and local permits required for proposed operations will be obtained prior to commencing any activity that may be affected by such authorization.

13. LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

A. Representatives:

Allan Scharf - Sr. Staff Drilling Engineer - Direct Line
(Office) 303-606-4280

(Cell) 303-517-2946

Bruce M Patterson - Permitting Agent for Williams Production RMT
Direct Line - 303-629-8666, (Cell) 303-941-7751

Williams Production RMT Company
1515 Arapahoe Street, Tower 3, Suite 1000
Denver, CO 80202
303-572-3900 Main Phone
303-629-8282 Main Fax

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Utah Division of Oil, Gas and Mining, the approved Plan of Operations, and any applicable Notice to Lessees,

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representatives to ensure compliance and shall be on location during all construction and drilling operations.

B. Representative Certification:

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, and I am familiar with the conditions that currently exist; that the statements make in this plan are, to the best of my knowledge, true and correct and the work associated with the operations proposed herein will be performed by the operator, its contractors, and subcontractors conformity with this plan and the terms and conditions under which is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Executed Date: 6/26/08

Steve Natali : Signature

Steve Natali Vice President - Exploration - Williams Prod. RMT Co.

Williams Production RMT Company

State Reservation Ridge 23-16
NE^{SW} Section 16 T11S, R11E
Duchesne County, Utah

Surface Use Plan

Notification Requirements:

Location Construction: Forty-eight (48) hours prior to construction of location and access road.

Location Completion: Prior to moving on the drilling rig.

Spud Notice: At least twenty-four (24) hours prior to spudding the well.

Casing String & Cementing: Twenty-four (24) hours prior to running casing and cementing.

BOP & Equip Tests: Twenty-four (24) hours prior to running casing and test BOP.

First Production Notice: Within five (5) business days after new well begins or production resumes.

WELLBORE SCHEMATIC

Well Name: State Reservation Ridge 23-16

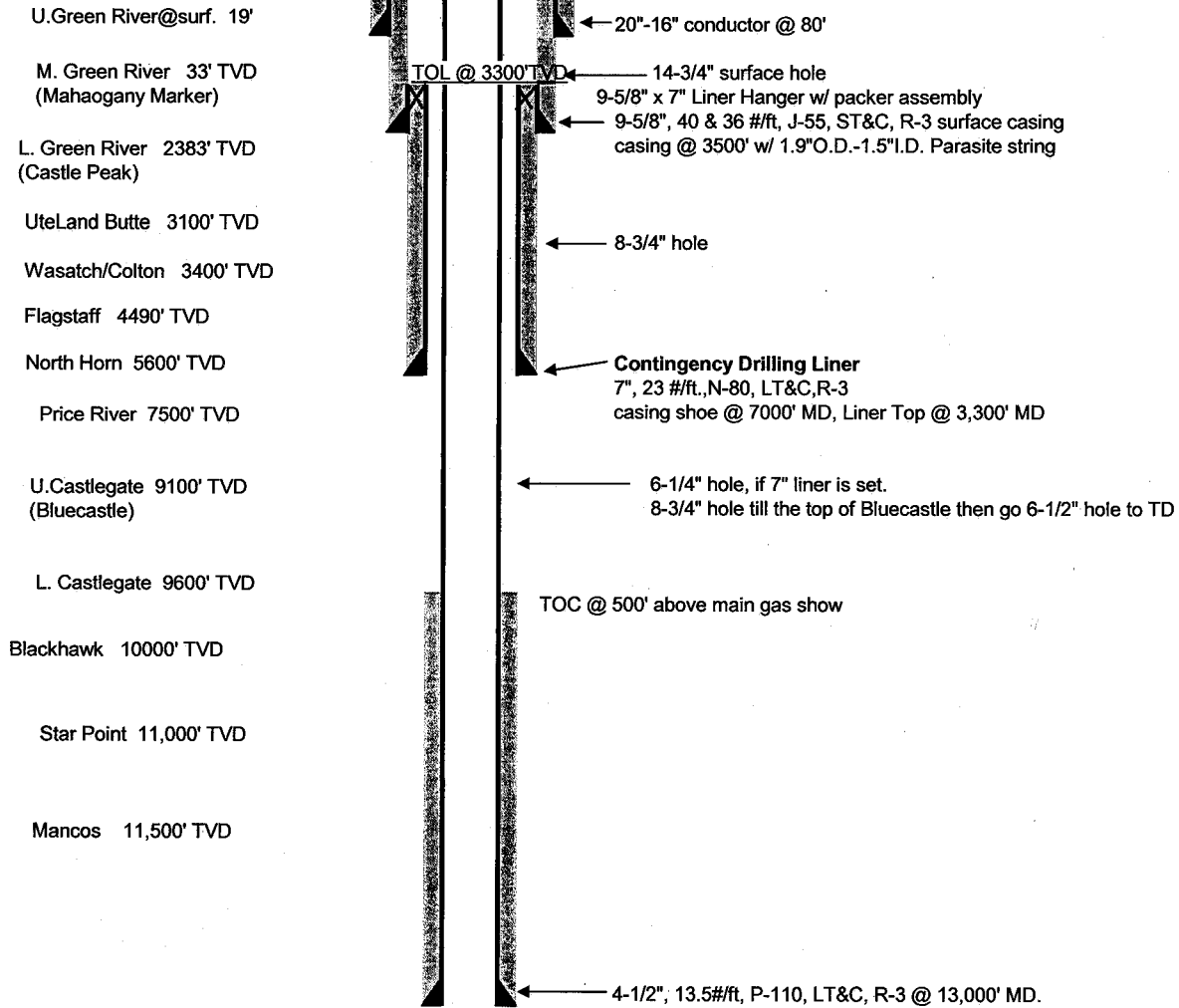
Field: Wildcat

Legal: NESW 1905' FSL & 1436' FWL
Section 16, T11S, R11E, S.L.B.&M.

County / State: Duchesne Co., Utah

API No.:

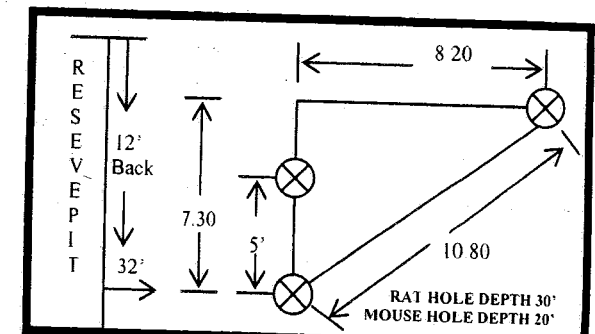
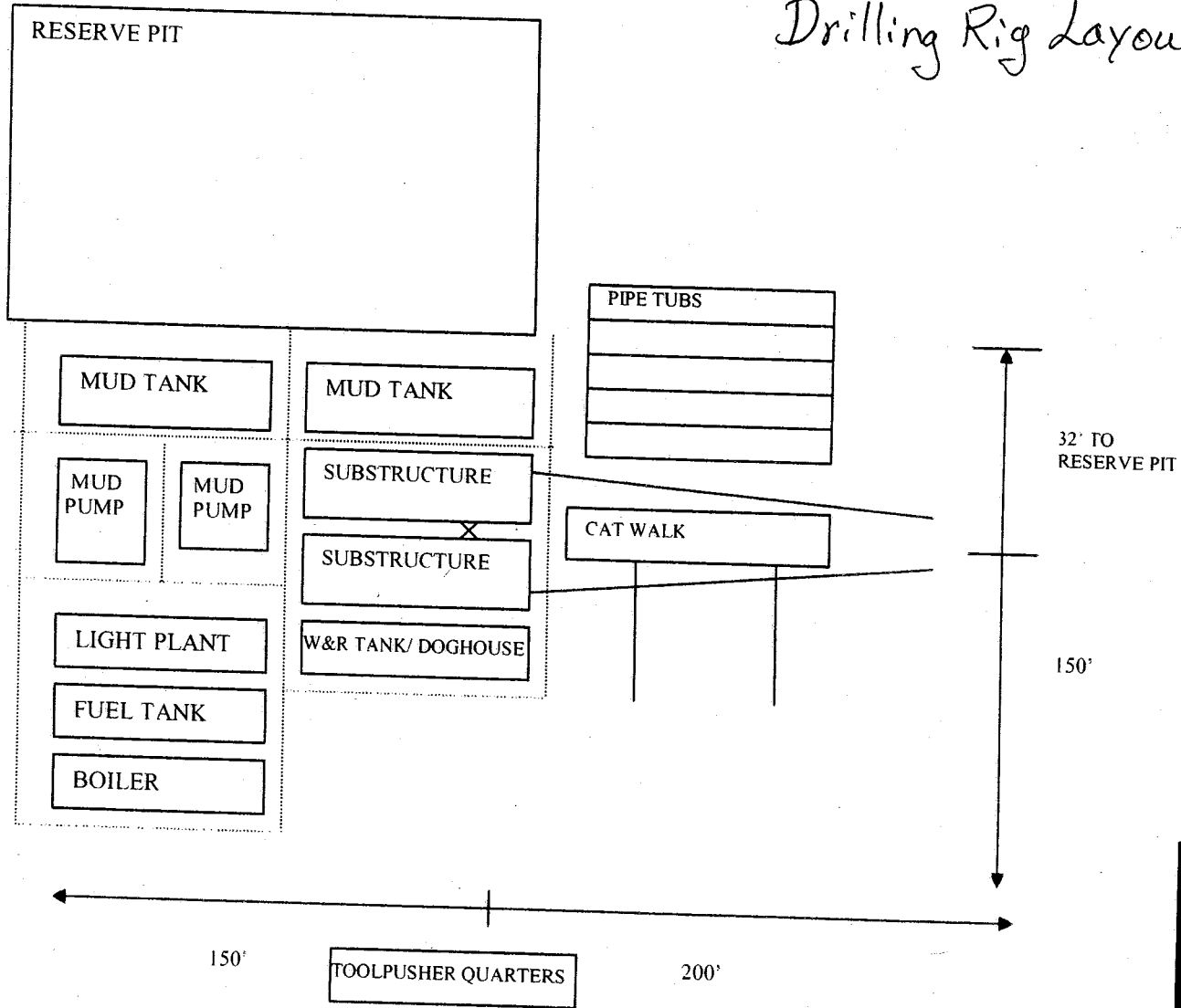
GL: 9056' ungraded
KB:



TD: 13,000' MD /TVD

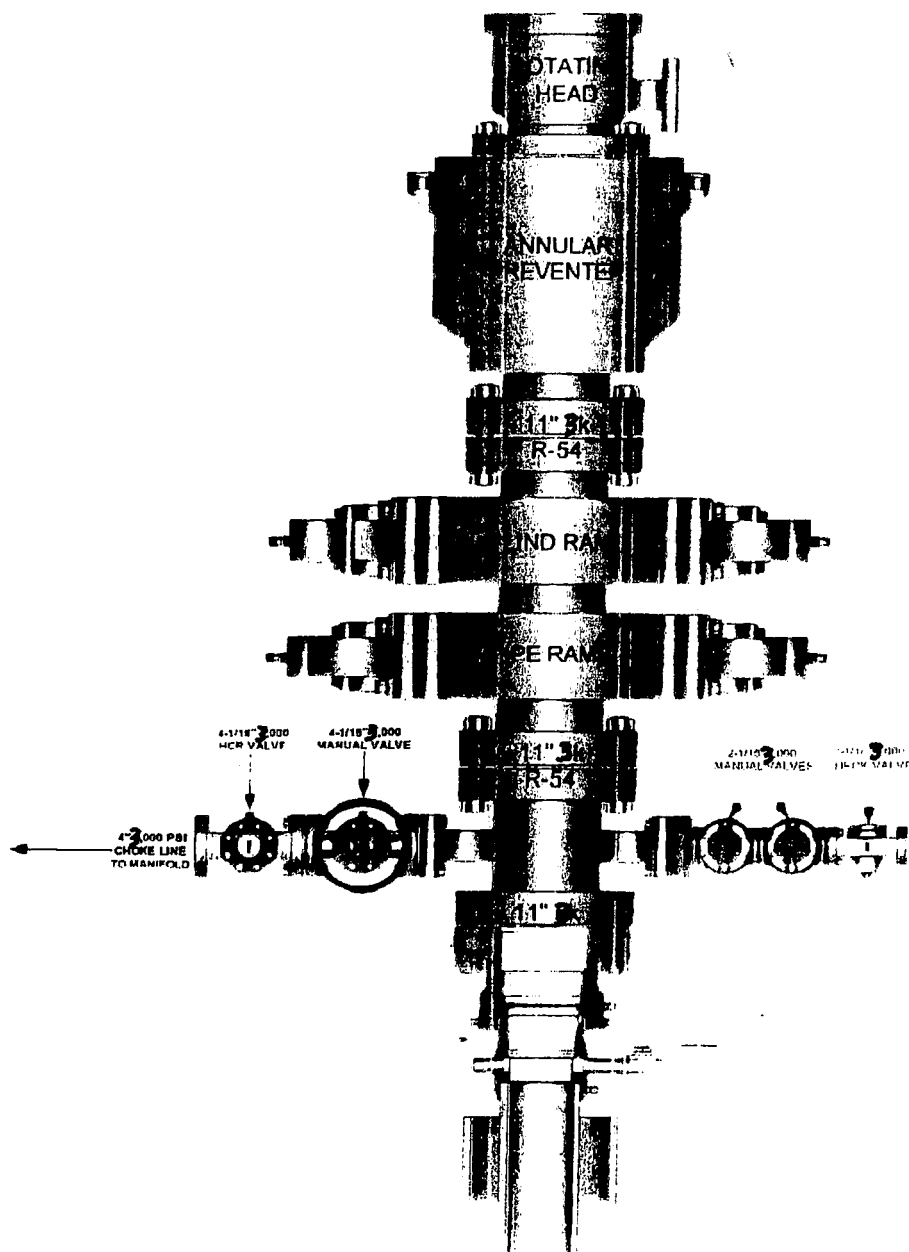
by New Tech Engineering
updated 06/06/08
Bruce M Patterson

Drilling Rig Layout



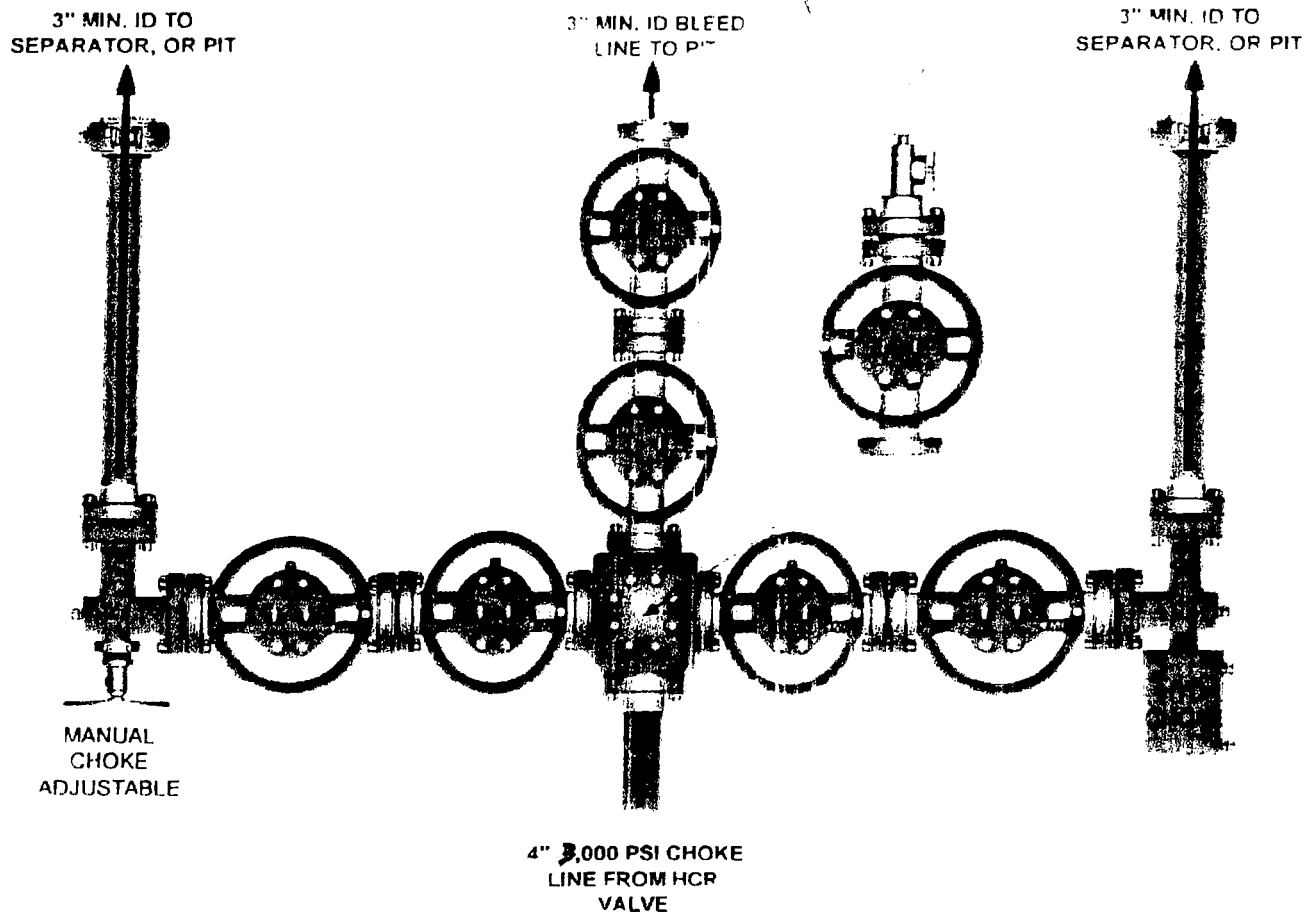
1" 3 000 PSI W.C. RING
CONFIGURATION

PAGE 1 OF 2



CHOKE MANIFOLD CONNECTION
W/ 3,000 PSI WP VALVES

PAGE 2 OF 2



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 3,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All ROPE specifications and configurations will meet Onshore Order #2 requirements.

Bond No. 6470876

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) Williams Production RMT Company, One Williams Center, as Principal,
and MD 48--6, Tulsa, OK 74172

(surety name) Safeco Insurance Company of America as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

One Hundred Twenty Thousand and No/100 dollars (\$ 120,000.00)
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,
repaving, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

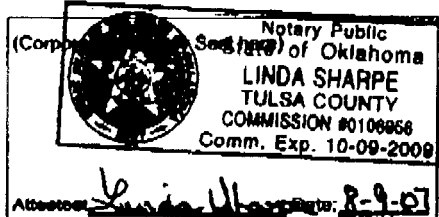
X Blanket Bond: To cover all wells drilled in the State of Utah

Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized
officers and its corporate or notary seal to be affixed this

9th day of August, 20 07



Williams Production RMT Company

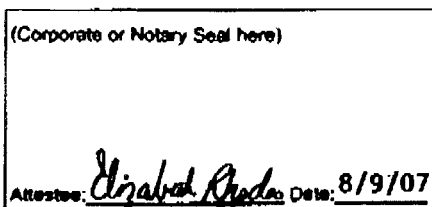
Principal (company name)

By Beverly Utter Attorney-In-Fact
Name (print) Title

Beverly Utter
Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal
to be affixed this

9th day of August, 20 07



Safeco Insurance Company of America

Surety Company (Attach Power of Attorney)

By Melissa Haddick, Attorney-in-fact
Name (print) Title

Melissa Haddick
Signature

P O Box 34526

Surety Mailing Address

Seattle, WA 98124-1526

City State Zip



POWER
OF ATTORNEY

Safeco Insurance Companies
PO Box 34528
Seattle, WA 98124-1528

No. 5713

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****DONALD R. GIBSON; MELISSA HADDICK; JACQUELINE KIRK; JOE MARTINEZ; TANNIS MATTSON; TERRI MORRISON;
SANDRA PARKER; CURTIS WILLEFORD; Houston, Texas*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 3rd day of August 2005

STEPHANIE DALEY-WATSON, SECRETARY

MIKE PETERS, PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 9th day of August 2007



STEPHANIE DALEY-WATSON, SECRETARY

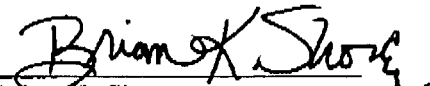
LIMITED POWER OF ATTORNEY

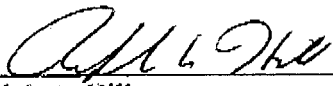
KNOW ALL MEN BY THESE PRESENTS, that Williams Production RMT Company, a Delaware corporation, having its principal place of business at One Williams Center, Tulsa, Oklahoma, hereinafter referred to as the "Company", does hereby make, constitute and appoint DAVID ENSMINGER, LENORE DUBALDO, SHARON QUIMBY and BEVERLY UTTER, with the full authority hereinafter provided, the true and lawful "Attorneys-in-Fact" of the Company, authorized and empowered on behalf of the Company and in the Company's name, and for the sole and exclusive benefit of the Company and not on behalf of any other person, corporation or association, in whole or in part, to commit the Company under all surety bonds which are used in the ordinary course of business by the Company, giving and granting, individually, unto said Attorneys-in-Fact full and complete power and authority to bind the Company as fully and to the same extent as if signed by the duly authorized officers of the Company; and all the facts of said Attorneys-in-Fact, pursuant to the authority hereby given, are hereby ratified and confirmed, with the qualification that said authority to act shall terminate on December 31, 2007 and shall be expressly limited for the purpose as herein stated.

IN WITNESS WHEREOF, Williams Production RMT Company has caused its name to be subscribed and its corporate seal to be affixed this 9 day of August, 20 07.

Attest:

Williams Production RMT Company


Brian K. Shore
Secretary

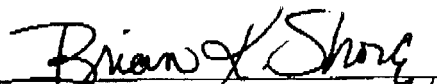
By: 
Ralph A. Hill
Chairman of the Board and
Senior Vice President

CERTIFICATE

I, the undersigned, Corporate Secretary of Williams Production RMT Company, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is in full force and effect on the date of this Certificate, and the Chairman of the Board who executed the said Limited Power of Attorney was and is a duly elected officer of Williams Production RMT Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of Williams Production RMT Company to these presents this 9 day of August, 20 07.

[SEAL]


Brian K. Shore
Secretary

SAGEBRUSH CONSULTANTS, L.L.C.

Cultural Resources • Environmental Studies • Historic Preservation



June 9, 2008

Bruce Patterson
New Tech Engineering
410 17th Street, Suite 770
Denver, Colorado 80202

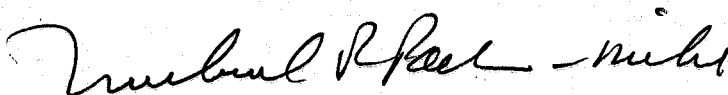
RE: *A Cultural Resource Inventory of the Proposed Well, State Reservation Ridge #23-16, and Its Associated Access Road, for New Tech Engineering, Duchesne County, Utah.*
Sagebrush Consultants Report No. 1691. Archaeological Survey Permit No. 58. Utah State Antiquities Project No. 08-SJ-0458s.

Dear Bruce:

Enclosed please find a copy of the above cited report and the Paleontologist's report by Alden H. Hamblin. Two copies of the cultural report have been sent to Kristine Curry with the Utah State School and Institutional Trust Lands Administration (SITLA). She will forward one copy of the report and the SHPO Cover Sheet to Dr. Matthew Seddon at the Utah State Historic Preservation Office in Salt Lake City. One copy of the Paleontologist's report has been sent to Jim Davis at SITLA.

Please feel free to call us if you have any further questions or concerns.

Sincerely,



Michael R. Polk
Senior Archaeologist/Owner

enclosures

cc: Allan Scharf, Williams Production RMT Company

**A CULTURAL RESOURCE INVENTORY OF THE PROPOSED WELL,
STATE RESERVATION RIDGE #23-16, AND ITS ASSOCIATED ACCESS ROAD,
FOR WILLIAMS PRODUCTION RMT COMPANY,
DUCHESNE COUNTY, UTAH**

by

Michael R. Polk
Principal Archaeologist

Prepared for:

New Tech Engineering, Inc.
410 17th St Suite 770
Denver, CO 80202

Prepared by:

Sagebrush Consultants, L.L.C.
3670 Quincy Avenue, Suite 203
Ogden, Utah 84403

Under the Authority of:

Archaeological Survey Permit No. 58

Utah State Project No. U-08-SJ-0458s

Cultural Resource Report No. 1691

June 6, 2008

INTRODUCTION

In May 2008, New Tech Engineering, Inc., of Denver, Colorado, requested that Sagebrush Consultants, L.L.C. (Sagebrush), on behalf of Williams Production RMT Company of Denver, Colorado, conduct an intensive level cultural resource inventory of a proposed well, State Reservation Ridge #23-16, and its associated access road in Duchesne County, Utah. The purpose of this inventory is to identify cultural resources which may be present within the proposed project area.

The proposed well and its associated access road are located in T.11S., R.11E., Sec. 16 on USGS 7.5' Quadrangle Minnie Maud Creek West, Utah (1969) (Figure 1). This land is administered by the State of Utah School and Institutional Trust Lands Administration (SITLA). The centerstake for the State Reservation Ridge #23-16 well is located 1905' FSL and 1436' FWL. The cultural resource survey was conducted by Michael R. Polk on May 28, 2008 under the authority of Archaeological Survey Permit No. 58.

Prior to the fieldwork, a file search for previously recorded cultural resource sites and projects near the current project area was conducted by Angela Heiland of Sagebrush at the Division of State History, Utah State Historic Preservation Office, in Salt Lake City (SHPO) on May 29, 2008. Arie Leeftang, Archaeology Records Assistant at the SHPO, conducted a GIS file search on May 29, 2008. Additionally, General Land Office (GLO) plat maps located in the Public Room of the BLM Utah State Office in Salt Lake City were reviewed prior to fieldwork.

One previous cultural resource project has been conducted within a mile of the current project area, and one site has been identified within one mile of the current project area. Following is a brief description of this project and site:

In 2004, the State of Utah School and Institutional Trust Lands Administration conducted a cultural resource inventory prior to the Timberlane Timber Sale (Shaver 2004). One site was identified during this survey.

Site 42DC1733. This site, located on a small finger ridge extending south of Argyle Ridge, is an historic ranch facility. Features include a corral, a fence, and a pen. Artifacts identified include historic cans as well as modern trash associated with a nearby hunter's camp. This site was recommended NOT eligible to the National Register of Historic Places (NRHP).

No additional cultural resource sites have been recorded in the vicinity of the current project area. The National Register of Historic Places (NRHP) was consulted prior to the commencement of fieldwork and no historic properties are located in the vicinity of the current project area.

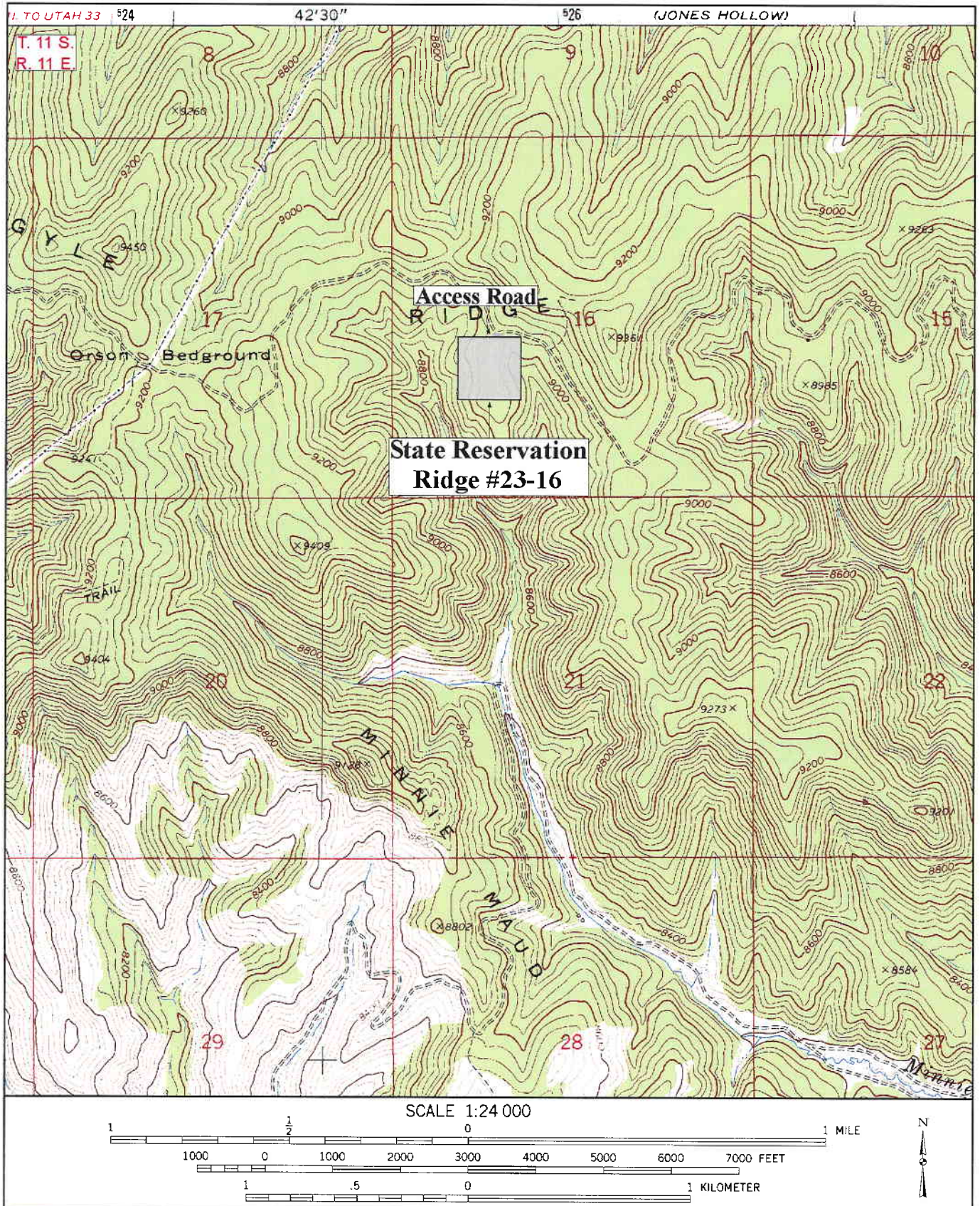


Figure 1. Location of the area surveyed for the proposed Williams Production RMC Company well, State Reservation Ridge #23-16, and its associated access road. Taken from USGS 7.5' Quadrangle Minnie Maud Creek West, Utah (1969).

ENVIRONMENT

The project area lies on Argyle Ridge in the Book Cliffs between Uintah Basin and the Mancos Shale Lowland. Other ridges separated by deep arroyos lie to the north and south. Some of the slopes in the project area are steep, exceeding 25 degrees. The elevation of the area surveyed ranges from 8920 to 9056 feet a.s.l. Sediments are poorly developed loams interspersed with tabular sandstone bedrock outcroppings. Vegetation consists of lodgepole pine forest with lodgepole pine, Douglas fir, spruce, aspen, juniper, bunch grass, and bitter brush. Vegetation covers an average of 35 percent of the ground surface, but the timber has been clear-cut or selectively cut in many areas, and roads cut through the area, especially to the east and north of the well pad centerstake. The nearest permanent water source is Minnie Maud Creek, located about a mile and a half south of the project area. Numerous seasonal drainages and washes are present throughout the general area. Natural disturbances consist of arroyo cutting and sheetwash. Cultural disturbances include slash and timber cutting, roads, and livestock grazing.

METHODOLOGY

An intensive level cultural resource inventory was carried out for the proposed well, State Reservation Ridge #23-16, and its associated access road. The project area consists of one 84,984 sq m (21 acre) parcel of land measuring 292-by-292 m (956-by-956 ft), centered on the proposed well head. Included within this survey block are 76.2 m (250 ft) of proposed access road and most of the 33.5 m (110 ft) of existing two-track proposed for upgrade. A short corridor for the north end of the proposed upgraded access road measures 15.2 m (50 ft) long and 45.7 m (150) ft wide. The well pad and corridor were inventoried in parallel transects spaced no more than 15 m (49.2 ft) apart. The area surveyed during this project, including well pad and its access road totaled 8.57 ha (21.17 ac) of land administered by SITLA.

RESULTS

An intensive level cultural resource inventory was carried out for a proposed well, State Reservation Ridge #23-16, and its associated access road in Duchesne County, Utah. No cultural resources were located during this inventory.

RECOMMENDATIONS

An intensive level cultural resource inventory was carried out for the proposed well, Reservation Ridge #23-16, and its associated access road. No cultural resources were identified during this inventory. As such, cultural resource clearance is recommended for this project.

This investigation was conducted with techniques which are considered to be adequate for evaluating cultural resources that are available for visual inspection and could be adversely affected by the project. However, should cultural resources be discovered during construction, a report should be made immediately to the SITLA Archaeologist in Salt Lake City.

REFERENCE CITED

Shaver, Monson W.

2004 *An Archaeological Inventory of the Timberlane Timber Sale in Duchesne County, Utah.*
Utah School and Institutional Trust Lands Administration, Salt Lake City. Utah State
Antiquities Permit No. U-04-UM-0468s.

PALEONTOLOGY EVALUATION SHEET

PROJECT: WILLIAMS PRODUCTION RMT COMPANY
STATE RESERVATION RIDGE #23-16

LOCATION: Thirty miles southwest of Duchesne, Utah at 1905' FSL 1436' FWL of section 16, T11S, R11E, Duchesne County, Utah.

OWNERSHIP: PRIV[] STATE[X] BLM[] USFS[] NPS[] IND[] MIL[] OTHER[]

DATE: May 30, 2008

GEOLOGY/TOPOGRAPHY: Upper part of the middle member of the Green River Formation. A short access road runs south off an existing road to well pad. Well pad sits on a round topped ridge which has had tree recently removed from most of the pad site. Surface has a cover of soil and forest debris and the only formation exposures are from toppled tree roots. The access road has been graded for forest access and has Green River Formation exposed along it.

PALEONTOLOGY SURVEY: YES [X] NO Survey [] PARTIAL Survey [X]

Areas where roots of toppled trees revealed Green River Formation and where the access road had graded through Green River Formation were examined for fossils. Some road cuts along the main road were also examined.

SURVEY RESULTS: Invertebrate [] Plant [] Vertebrate [] Trace [] No Fossils Found [X]

PALEONTOLOGY SENSITIVITY: HIGH [] MEDIUM [x] LOW [X] (PROJECT SPECIFIC)

There are limited exposures of the Green River Formation in this area because of a cover of soil and forest debris.

MITIGATION RECOMMENDATIONS: NONE [] OTHER [] (SEE BELOW)

For future reference to the Green River Formation in this area it might be suggested that this pad be examined again after construction, the spoil piles from pad and pit construction to see if any fossils are present.

There is always some potential for discovery of significant paleontological resources in the Green River Formation. If significant vertebrate fossils (mammals, crocodiles, complete turtle shells, fish, etc.) are encountered during construction, work should stop in that area and a paleontologist contacted to evaluate the material discovered.

PALEONTOLOGIST: Alden H. Hamblin

A.H. Hamblin Paleontological Consulting, 3793 N. Minersville Highway, Cedar City, Utah 84720 (435) 867-8355
Utah State Paleontological Permit # 07-355, BLM paleontological Resources Permit # UT08-003C.
Utah Professional Geologist License – 5223011-2250.

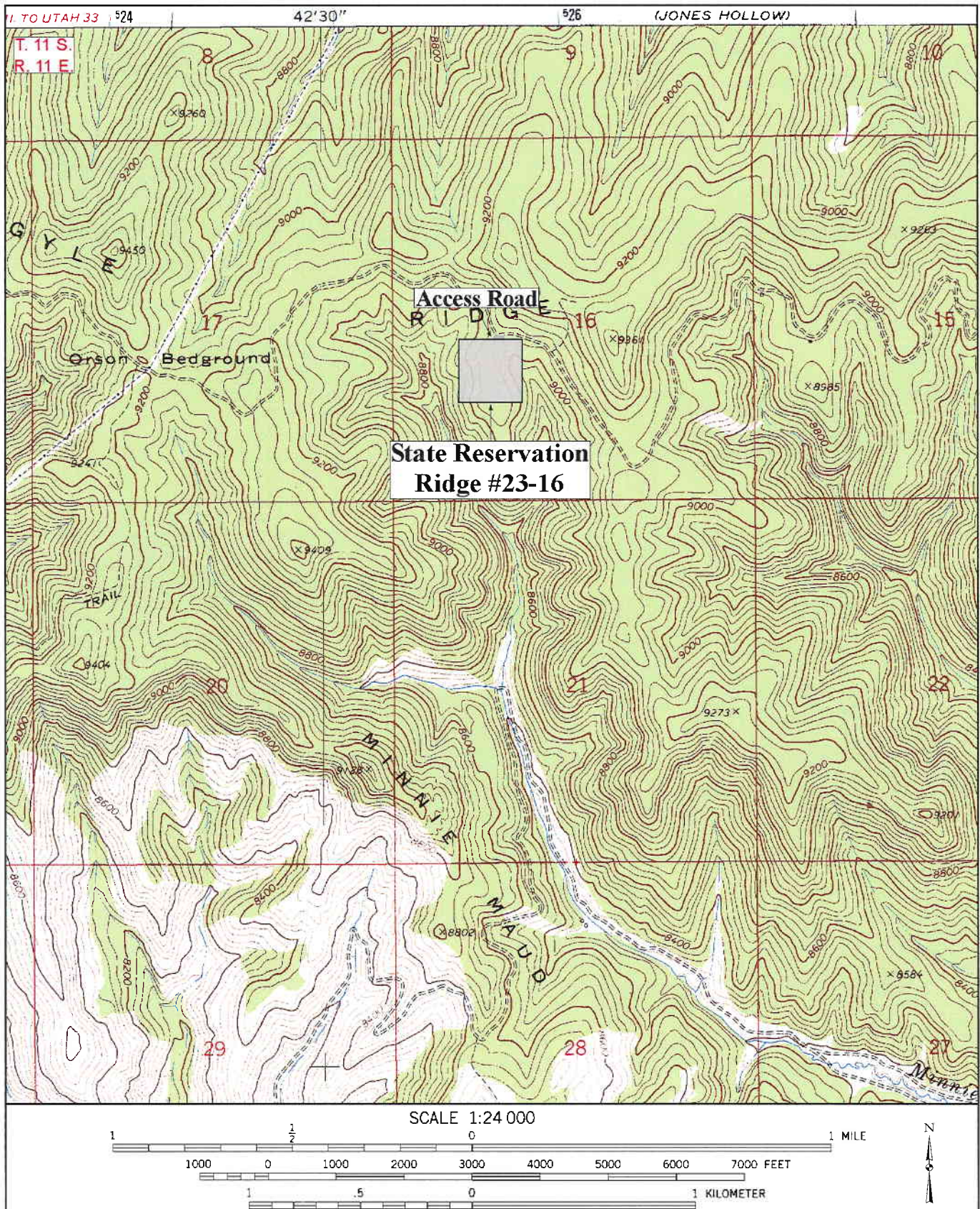


Figure 1. Location of the area surveyed for the proposed Williams Production RMC Company well, State Reservation Ridge #23-16, and its associated access road. Taken from USGS 7.5' Quadrangle Minnie Maud Creek West, Utah (1969).

12/83

SITLA FORM

PROOF READ BHP

MINERAL LEASE NUMBER ML 48653

MINERAL LEASE APPLICATION NO. 48653

GRANT: SCH

OIL, GAS, AND HYDROCARBON LEASE

THIS UTAH STATE MINERAL LEASE AND AGREEMENT entered into and executed in duplicate as of the 31st day of January, 2001, by and between the STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, with its offices located at 675 East 500 South, Suite 500, Salt Lake City, Utah 84102-2818, hereinafter called the "LESSOR," and

KATHI HANSON
P.O. BOX 3020
CHEYENNE, WY 82003

hereinafter called the "LESSEE", whether one or more.

WITNESSETH:

SECTION 1. RIGHTS OF LESSEE

That Lessor, in consideration of the rents and royalties to be paid and the covenants and agreements contained herein and to be performed by Lessee, does hereby grant and lease to Lessee the following described tract of land in the County of Duchesne State of Utah, to-wit:

TOWNSHIP 11 SOUTH, RANGE 11 EAST, SLB&M
Sec. 16: All

containing 640.00 acres, more or less, for the purposes and with the exclusive rights of prospecting for, of mining for, of excavating, quarrying, or stripmining for and/or drilling for oil, natural gas, elaterite, ozocerite, other hydrocarbons (whether the same be found in solid, semisolid, liquid, vaporous or any other form) including tar, bitumen, asphaltum, and maltha, other gases (whether combustible or non-combustible), sulphur, (except the metallic sulphide such as pyrite, marcasite and chalcopyrite) and associated substances of whatever kind or nature and whether or not similar to those hereinabove-mentioned but excluding ocal and oil shale (the hydrocarbons and

other materials granted hereby being hereinafter collectively called "said substances") and producing, taking, and removing such substances from the above described lands, the Lessee to have the rights to construct and maintain on said lands all works, buildings, plants, waterways, roads, communication lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, subject, however, to the conditions hereinafter set forth.

SECTION 2. TERM OF LEASE

This lease unless terminated at an earlier date as hereinafter provided, shall be for a primary term of ten years from and after the first day of the month next succeeding the date of issuance hereof and so long after the primary term as:

- (a) Said substances are being produced in paying quantities from the leased premises or lands pooled or unitized with or constituting an approved mining or drilling unit in respect to the leased premises; or
- (b) The Lessee pays the actual production royalty as prescribed in this lease on said substances produced from the leased premises or if production of said substances has not been commenced on the leased lands and all or a portion of the leased lands are included in a participating area of an approved pooled or unitized area Lessee pays production royalty on the portion of the produced leased substances assigned to this lease from the participating area; or
- (c) The Lessee is engaged in diligent operations, exploration, research or development activity which is reasonably calculated to advance development or production of said substances from the leased premises or lands pooled or unitized with or constituting a mining or drilling unit in respect to the leased premises; and
- (d) Lessee pays a minimum royalty equal to three times the annual rental as provided in Section 3 of this lease.

In respect to the duration of the term of this lease, gas shall be deemed to be produced in paying quantities from any shut-in gas well on the leased lands which is capable of producing gas in paying quantities whenever and at such times as such gas cannot be reasonably marketed at a reasonable price by reason of existing marketing or transportation conditions: provided, however, that Lessee shall pay to the State an additional rental equal to the annual rental payable by such Lessee under the terms of the lease, said rental to be paid on or before the annual rental paying date next ensuing after the date said well was shut-in, on or before said rental date thereafter. Upon the commencement or marketing of gas from said well or wells, the royalty paid for the lease year in which the gas is first marketed shall be credited upon the rental payable as provided hereunder to the State for such year.

The phrase "produced in paying quantities" as used in this lease shall mean the production of said substances from the above-described lands in an amount which is sufficient during each lease year to yield a minimum royalty payment to Lessor equal to at least \$1.50 per acre for all acres of land held by Lessee under this lease.

SECTION 3. ANNUAL RENTAL

Lessee agrees to pay to Lessor annually in advance as rental the sum of One Dollar (\$1.00) per acre or fractional part thereof, per annum for the primary term of this lease (ten years) and if this lease is extended beyond the primary term as provided in Section 2, the sum of two dollars (\$2.00) for the 11th thru the 15th year and the sum of three (\$3.00) for the 16th thru the 20th year. Rental will be paid for each year in advance on or before the first day of the month following the anniversary date of this lease, except the rental for the first year which has been paid with the application for this lease.

SECTION 4. ROYALTIES

(a) Lessee agrees to pay to Lessor a royalty of twelve and one-half (12½) percent of the oil produced, saved and sold from the leased premises; or at the option of Lessor, to pay to Lessor the cash value of such royalty. When paid in money, the royalty shall be calculated upon the reasonable market value of the oil at the well, including any subsidy or extra payment which the Lessee, or any successors in interest thereto, may receive, without regard to whether such subsidy or extra payment shall be made in the nature of money or other consideration, and, in no event shall the royalties be based upon a market value less than that used by the United States in the computation of royalties, if any, paid by this lessee to the United States of America on oil of like grade and gravity produced in the same field. When Lessor elects to take royalty oil in kind, such royalty oil shall be delivered on the premises where produced without cost to Lessor at such time and in such tanks provided by Lessee as may reasonably be required by Lessor, but in no event shall Lessee be required to hold royalty oil in storage beyond the last day of the calendar month next following the calendar month in which the oil was produced. Lessee shall not be responsible or be held liable for the loss or destruction of royalty oil in storage from causes under which Lessee has no control. For royalty purposes, the word "oil" shall mean crude petroleum oil and any other hydrocarbons, regardless of gravities, which are produced at the well in liquid form, provided, however, oil produced from a reservoir with zero or near zero initial shut-in pressure shall bear the royalty rate specified in Section 4(c).

(b) Gas - Lessee agrees to pay to Lessor a royalty of twelve and one-half (12½) percent of the reasonable market value at the well of all gas produced and saved or sold from the leased premises. Where gas is sold under a contract, and such contract has been approved in whole or conditionally by the Lessor, the reasonable market value of such gas for the purpose of determining the royalties payable hereunder, shall be the price at which the production is sold, provided that in no event shall the price for gas be less than that received by the United States of America for its royalties from gas of like grade and quality from the same field; provided, however, the reasonable market value of processed or manufactured or extracted products for the purpose of computing royalty hereunder, shall be the value after deducting the costs of processing, extracting, or manufacturing, except that the deduction deducting the costs of processing, extracting, or manufacturing may not exceed 2/3 of the amount of the gross of any such products without approval by the Lessor and, provided further, that the market value of extracted, processed, or manufactured products used in the computation of royalties hereunder shall not be less than the value used by the United States in its computation of royalties on similar products resulting from production of like grade and quality in the same field.

(c) Other Substances - For the first ten years of commercial production, Lessee agrees to pay Lessor a royalty of six and one-fourth (6¼%) of the reasonable market value of all other hydrocarbon substances which are produced from a reservoir where the initial shut-in pressure is zero or near zero which in the discretion of the School

and Institutional Trust Lands Administration indicated the absence of sufficient motive force for the leased substances to enter the well bore, and where the said substances cannot be produced except by mining or removing the host rock or require the application of heat and/or solvents to remove the hydrocarbon substances from the host rock into the well bore or other form of catch trap or basin. The royalty may, at the discretion of Lessor, be increased after the first ten years of commercial production at a rate not to exceed one percent (1%) per annum until a maximum of 12½% is reached; provided, however, notwithstanding the foregoing, the royalty which Lessee shall pay at any time under this lease may, after notice and hearing, be fixed by Lessor up to the highest royalty rate then being paid, but in any event not to exceed 12½% by a Lessee producing from the same general area, reservoir, or deposit.

(d) Sulphur - Lessee agrees to pay Lessor 12½ percent of the reasonable market value of all sulphur which Lessee shall produce, save, or sell from the leased premises.

The basis for computing the reasonable market value of substances covered in this (c) and (d) shall be as follows:

(I) If the substances are sold under a bonafide contract of sale, the amount of money or its equivalent actually received from the sale of the substances less reasonable costs, if any, of transporting the substances from the place where extracted to the place where, under the contract of sale, the leased substances are to be delivered, shall be regarded as the reasonable market value.

(ii) If the lease substances extracted are treated at a mill, smelter, processing plant or reduction works which received the substances from independent sources and which is owned or controlled by the same interest owning or controlling the mine, such treatment shall be treated as a sale within the meaning of this section for the purpose of determining market value, and in such event a rate or charge for sampling, assaying, milling, smelting or refining the leased substances therefrom shall be deducted, which shall not exceed an amount to be determined by applying the same rates as are applied by such mill, smelter, or reduction works or competing works on ores of substantially like characteristics and like quantities received from independent sources. In the event of controversy, the Lessor shall have the power to determine such rates and charges. Transportation charges may also be deducted as provided in subdivision (I) hereof.

(iii) If a mill or other reduction works is operated exclusively in connection with a mine, such mill or reduction works shall be treated as a part of the mine, and the costs of operating the mill or reduction works shall, for the purpose of fixing the royalty set forth in this lease, be regarded as part of the costs of mining, and the proportionate cost of assaying, sampling, smelting, refining, and transportation only shall be deducted as herein provided.

(e) Time of Payment - All royalty on production during any calendar month shall be due and payable by Lessee to Lessor not later than the last day of the calendar month following that in which produced.

(f) Lessor agrees that upon request by the Lessee and after notice and hearings, upon good cause shown, the annual rental and/or the royalty rates specified in this lease may be reduced at the discretion of Lessor. However, upon the reduction of said rates, Lessee agrees that Lessor shall have the right to reduce all outstanding overriding royalty interest proportionately.

Lessor may at its option take its royalty gas in kind at the well heads, provided expressly that Lessee shall be under no obligation to furnish any storage facilities for royalty gas.

SECTION 5. RIGHTS RESERVED TO LESSOR - The Lessor expressly reserves:

(a) **Easements and Rights of Way** - The right to permit for joint or several use in a manner which will not unreasonably interfere with Lessee's operations hereunder, such easements or rights of way upon, through or in the land hereby leased as may be necessary or appropriate to the workings of other lands belonging to the Lessor containing mineral deposits or to the working of the land hereby leased for other than the hereby leased substances, and for other public purposes.

(b) **Surface Disposition - Leasing for Other Deposits** - The right to use, lease, sell, or otherwise dispose of the surface of said hereby leased lands, or any part thereof, under existing State laws, subject to the rights herein granted and insofar as in the judgment of the Lessor, said surface is not necessary for the use of the Lessee in the exercise of the rights granted Lessee hereunder; and also the right to lease mineral deposits, other than the hereby leased substances, which may be contained in said hereby leased lands.

(c) **Unitization** - The right, with the consent of the Lessee, to commit the hereby leased lands to a unit or cooperative plan of development and to establish, alter or change the drilling, producing and royalty requirements and term of this lease to conform thereunto.

(d) **Production Control** - The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the Lessee's fair share of allowable production under any system of state or national curtailment and proration authorized by law.

SECTION 6. DRILLING AND DEVELOPMENT PROVISIONS PERTAINING TO OIL AND GAS OPERATIONS

(a) **Offset Wells** - Subject to the rights of surrender as provided in this lease, Lessee shall protect the oil and gas under the leased premises from drainage from adjacent lands or leases, and the Lessor expressly reserves the right to require the commencement, completion, and operation of a well or wells necessary for the protection of the leased premises from adjacent lands or leases.

(b) **Diligence - Proper Operations** - Lessee agrees:

(1) After discovery and subject to the right of surrender herein provided, to exercise reasonable diligence in producing oil and gas and in the drilling and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the Lessor; and

(2) To carry on all operations hereunder in a good workmanlike manner in accordance with approved methods and practices, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata, to the destruction or injury of such deposits, to the preservation and conservation of the property for future productive operations, and to the health and safety of workmen and employees; and

- 6 -

(3) To take every reasonable precaution to prevent water from migrating from one stratum to any other and to protect and water-bearing stratum from contamination; and

(4) To securely and properly plug in an approved manner any well before abandoning it; and

(5) To drill any well in conformity with law and with the rules and regulations of the Utah Board of Oil, Gas, and Mining; and

(6) To conduct all operations subject to the inspection of the Lessor and to carry out at the Lessee's expense all reasonable orders and requirements of the Lessor relative to the prevention of waste and preservation of the property, and the health and safety of workmen; and on failure of the Lessee so to do, the Lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damages or prevent waste at the Lessee's expense; and

(7) To conduct all operations under this lease in accordance with the Lessor's rules and regulations governing exploration for and production of oil and gas which are now in force, and with such reasonable rules and regulations as hereafter may be adopted by the Lessor; and

(8) To reimburse the owner or Lessee of the surface of the leased premises for actual damages thereto and to improvements thereon resulting from Lessee's operations hereunder, provided that Lessee shall not be held responsible for acts of providence or occurrences beyond Lessee's control.

(9) Whenever operations for the drilling for oil and gas are planned on Lessor's lands, no special notice need be filed so long as the required notices are filed with the Division of Oil, Gas, and Mining and a copy of said notice is filed with Lessor. When a drill site is located on Lessor's lands, any topsoil which is removed will be stockpiled on the site and will be redistributed on the site at the completion of operations and the land reseeded with grasses and/or native plants by Lessee or operator as prescribed by Lessor. All mud pits will be filled and material and debris will be removed from the site at the completion of operations.

SECTION 7. BOND

Lessee agrees at the time of commencement of operations to furnish a bond with an approved corporate surety company authorized to transact business in the State of Utah, or such other surety as may be acceptable to the Lessor, in the penal sum of not less than Five Thousand Dollars (\$5,000.00) conditioned upon the payment of all moneys, rentals, and royalties accruing to the Lessor under their terms hereof, and upon the full compliance with all other terms and conditions of this lease and the Rules and Regulations relating hereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands, the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the Lessor may decide after discovery of said substances.

The Lessor may waive the provision of this section, as to this lease, upon the furnishing of a blanket bond by Lessee extending to and including Lessee's operations hereunder.

SECTION 8. LOGS - REPORTS - MAPS

Lessee agrees to keep a log in a form approved by the Board of Oil, Gas and Mining, of each well drilled by Lessee on the leased lands and agrees to file the same, together with such reports, maps and supplements as may be required, with said Commission. Lessee also agrees to furnish Lessor copies of such logs, reports and any other information which Lessor may request from time to time.

SECTION 9. NOTICE OF WATER ENCOUNTERED

In the drilling of wells under authority of this lease, all water-bearing strata shall be noted in the log and Lessee shall promptly give notice to Lessor when water has been encountered and such notice shall include an estimate of the possible amount of flow of said water and whether or not the water is fresh water.

SECTION 10. DEFAULT OF LESSEE

Upon failure or default of the Lessee to comply with any of the conditions or covenants herein, the Lessor may cancel this lease and such cancellation shall extend to and include all rights granted hereunder as to the whole of the tract hereinabove described, but shall not extend to nor affect the rights of this Lessee under other leases or partial assignments of this lease which have been approved by Lessor upon which no default has been made, provided, however, that in the event of any default by Lessee, Lessor shall, before cancellation, send a notice of intention to cancel said lease to the Lessee by registered or certified return receipt mail addressed to post office address of said Lessee as first hereinabove stated or as shown by the records of the Lessor, which notice shall specify the default for which cancellation is to be made, and, if within thirty (30) days from the date of mailing said notice, Lessee has not remedied the violation or rectified the condition specified and notified Lessor thereof in writing, Lessor may thereupon cancel the lease without further notice to Lessee.

SECTION 11. OPERATION REQUIREMENTS - PREVENTION OF WASTE

Lessee covenants that no waste shall be committed on the land and agrees to develop and produce said substances which are susceptible of production with reasonable care and skill and in conformity with all applicable laws of the United States and the State of Utah, and the rules and regulations of the School and Institutional Trust Lands Administration, now in effect or hereafter promulgated, and to carry on all mining, extractions, reducing, refining, and other operations on or below the surface of the earth by safe and economically feasible methods and practices and to take all proper and reasonable steps and precautions to prevent waste of or damages to said substances or other mineral deposits on said land. Should Lessee elect to dump waste products upon the leased lands Lessee shall secure Lessor's consent as to the situs and manner of maintenance of the waste dump; it being understood that Lessor contemplates designating the manner of operation and maintenance of a waste dump so that the land used for dumping of waste will be suitable for other uses. Lessee shall not fence any watering place upon the leased lands

without prior approval of Lessor, nor shall Lessee permit or contribute to the pollution of waters useful for domestic or agricultural purposes.

In those instances where strip or open-pit mining operations or other operations which will disturb the surface of Lessor's lands are utilized, Lessor may require rehabilitation of the surface of the disturbed area. At least 30 days prior to commencement, Lessee will submit to Lessor plans for such operations. Lessor will at the time outline the rehabilitation program required by lessor for the particular property in question. In all cases the Lessee must agree to slope the side of all excavations to a ratio of not more than one foot (1') vertically for each two feet (2') of horizontal distance unless otherwise approved by Lessor prior to commencement of operations. Such sloping is to become a normal part of the operation of the leased premises so as to keep pace with such operation to the extent that such operation shall not at any time constitute a hazard. Whenever practicable, all pits or excavations shall be shaped to drain, and in no case shall the pits or excavations be allowed to become a hazard to persons or livestock. All material mined, but not removed from the premises, is to be used to fill the pits and leveled, unless consent of the Lessor to do otherwise is obtained so that at the termination of the lease the land will as nearly as practicable approximate its original configuration. The Lessee or operator must strike off the peaks and ridges of spoil banks to a width satisfactory to the School and Institutional Trust Lands Administration, Lessor may require that all topsoil in the affected area shall be removed and stockpiled until the completion of operations when in its opinion such action is justified. Upon completion of operations, the stockpiled topsoil will be redistributed on the affected area, and the land reseeded with grasses and/or native plants by Lessee as prescribed by Lessor.

SECTION 12. MAPS AND REPORTS

Where Lessee conducts mining operations under this lease, Lessee agrees to keep clear, accurate and detailed maps on tracing cloth, on a scale of not more than fifty (50) feet to the inch, of Lessee's working in each section of leased lands, oriented to a public land corner so that the maps can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and any written reports of operations as Lessor may call for.

SECTION 13. IMPROVEMENTS AND REMOVAL OF SAME

Upon termination of this lease for any cause, the Lessee, upon payment of all amounts due Lessor, shall remove from the leased premises all property (including fixtures), machinery, equipment, and supplies. The leased land shall be surrendered in good usable condition in as near the natural condition of the land as is reasonably practical.

SECTION 14. LESSOR'S RIGHT OF ACCESS TO LEASED PREMISES AND LESSEE'S RECORDS

Lessor, its officers and agents, shall have the right at all reasonable times to go in and upon the leased lands and premises during the term of the lease to inspect the work done thereon and the progress thereof, and the products obtained therefrom, and to post any notice on the said lands that it may deem fit and proper. Lessee shall permit any authorized representative of the Lessor to examine all books and records pertaining to operations and royalties payable to Lessor under the lease, and to make copies of any extracts from such books and records if desired.

SECTION 15. SURRENDER BY LESSEE

Lessee may surrender this lease for cancellation by Lessor as to all or any part of the leased lands, but not less than a quarter-quarter section or surveyed lot, upon payment of all rentals, royalties, and other amounts due Lessor and by filing with the Lessor a written relinquishment. The relinquishment shall be effective as to future rental liability on the date of cancellation by Lessor.

SECTION 16. WATER RIGHTS

If the Lessor shall initiate or establish any water rights upon the leased premises, such right shall become an appurtenance of the leased premises, and, upon the termination of the lease, shall become the property of the Lessor.

SECTION 17. DISCOVERY OF OTHER MINERALS

Upon such notification of the Lessee to the Lessor, the Lessee shall have 60 days in which to request that the Lessor issue a lease on the newly discovered mineral substances in line with the form of lease and regular rules and regulations of the School and Institutional Trust Lands Administration regarding such mineral substances.

SECTION 18. FAILURE OF LESSOR'S TITLE

It is understood and agreed that this lease is issued only under such title as the State of Utah may now have or hereafter acquire, and that the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund of rentals or royalties theretofore paid to the Lessor in the event the Lessor does not have the title to the minerals in the leased lands. If Lessor owns less than the entire and undivided fee simple estate in the leased minerals for which royalty is payable, then the royalties herein provided shall be paid the Lessor only in the proportion which its interest bears to said whole and undivided fee simple estate in the said minerals for which royalty is payable.

SECTION 19. TRANSFERS OF INTEREST BY LESSEE

There shall be no assignment of this lease, nor of any interest therein, nor any sublease or operating agreement as to the leased lands, nor any portion thereof, unless and until such assignment, transfer, sublease or operating agreement is approved by the Lessor. Any such instrument shall be filed with Lessor within ninety days from the date of final execution thereof, and when and provided it is approved by the Lessor, shall take effect as of the date of its execution. Any assignment or sub-lease made without such approval shall be void ab initio. Subject to the necessity of approval as herein set out, all of the terms, covenants, conditions, and obligations of this lease shall extend to and shall be binding upon the successor in interest of the Lessee. The Lessee further agrees not to enter into any agreements limiting, restricting, prorating, or otherwise affecting the natural production from said lands in any way or in any event without the prior written consent of the Lessor.

SECTION 20. NOTICES

All notices herein provided to be given or which may be given by either party to the other, except as otherwise provided by law, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, and addressed to the last known address of the parties.

SECTION 21. INTEREST

Interest shall accrue and be payable on all obligations arising under this lease at such rate as may be set from time to time by rule enacted by Lessor. Interest shall accrue and be payable, without necessity of demand, from the date each such obligation shall arise.

SECTION 22. CONSENT TO SUIT

Lessee consents to suit in the courts of the State of Utah in any dispute arising under the terms of this lease or as a result of operations carried on under this lease. Service of process in any such action is hereby agreed to be sufficient if sent by registered mail to the Lessee at the last known address appearing on Lessor's records.

SECTION 23. ATTORNEY'S FEES

In the event Lessor shall institute and prevail in any action or suit for the enforcement of any provision of this lease, Lessee will pay to Lessor a reasonable attorneys fee on account thereof.


- 11 -

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

THE STATE OF UTAH, acting by and through the
SCHOOL AND INSTITUTIONAL TRUST LANDS
ADMINISTRATION

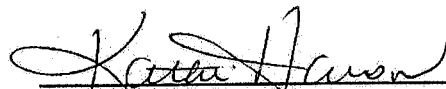
DAVID T. TERRY, DIRECTOR

APPROVED AS TO FORM
MARK L. SHURTLEFF
ATTORNEY GENERAL

By 
LAVONNE J. GARRISON, ASSISTANT
DIRECTOR/OIL & GAS
School & Institutional Trust Lands Administration -
LESSOR

By 

Form Approved: January 2, 2001


LESSEE

- 12 -

STATE OF UTAH)
COUNTY OF SALT LAKE)

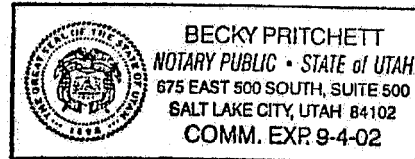
On the 21st day of March, 2001, personally appeared before me LAVONNE J. GARRISON, who being by me duly sworn did say that she is the Assistant Director/Minerals of the School and Institutional Trust Lands Administration of the State of Utah and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 21st day of March, 2001.

Becky Pritchett
NOTARY PUBLIC, residing at: SALT LAKE CITY

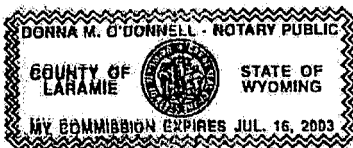
My Commission Expires: 9-4-02

STATE OF ~~UTAH~~) Wyoming
COUNTY OF) Laramie



On the 28th day of February, 2001, personally appeared before me Kathi Hanson, signer of the above instrument, who duly acknowledged to me that she executed the same.

Given under my hand and seal this 28th day of February, 2001.



Donna M. O'Donnell
NOTARY PUBLIC, residing at: Cheyenne, WY

My Commission Expires:

STATE OF UTAH)
COUNTY OF)

On the _____ day of _____, 20____, personally appeared before me _____, who being duly sworn did say that he is an officer of _____ and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said _____ acknowledged to me that said corporation executed the same.

Given under my hand and seal this _____ day of _____, 20____.

NOTARY PUBLIC, residing at:

My Commission Expires:

WILLIAMS PRODUCTION RMT COMPANY

STATE RESERVATION RIDGE #23-16

**LOCATED IN DUCHESNE COUNTY, UTAH
SECTION 16, T11S, R11E, S.L.B.&M.**

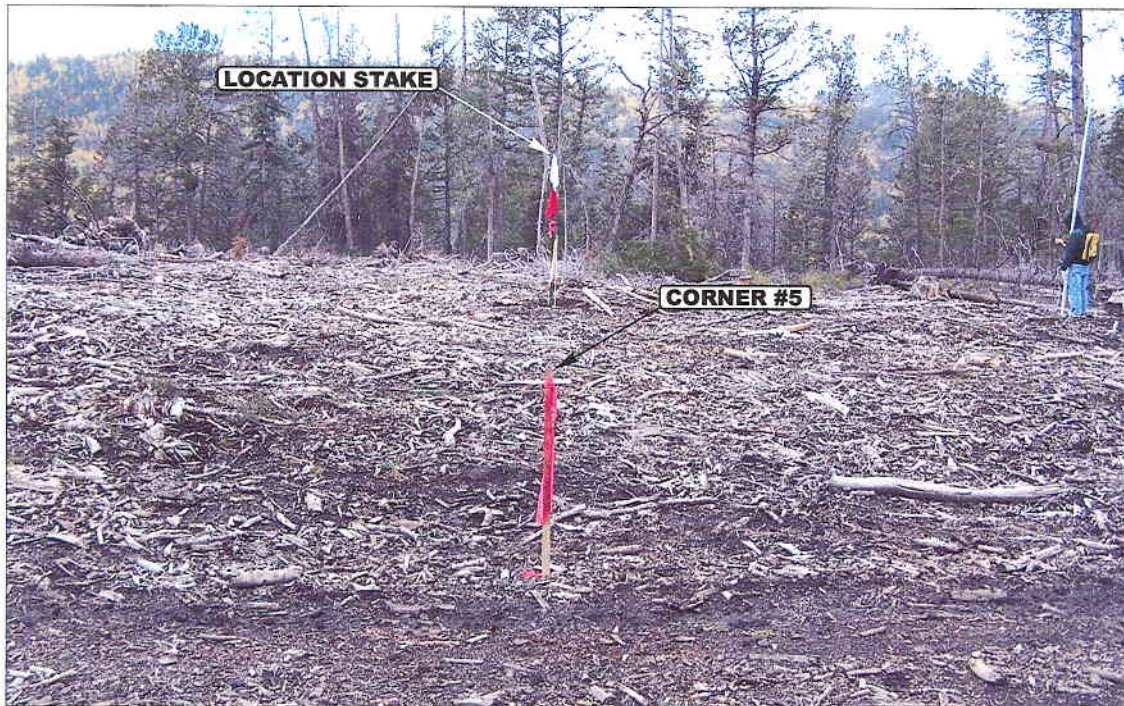


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

**U
E
L
S** Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

09 26 07
MONTH DAY YEAR

PHOTO

TAKEN BY: D.R.

DRAWN BY: C.C.

REVISED: 00-00-00

WILLIAMS PRODUCTION RMT COMPANY

TYPICAL CROSS SECTIONS FOR

STATE RESERVATION RIDGE #23-16

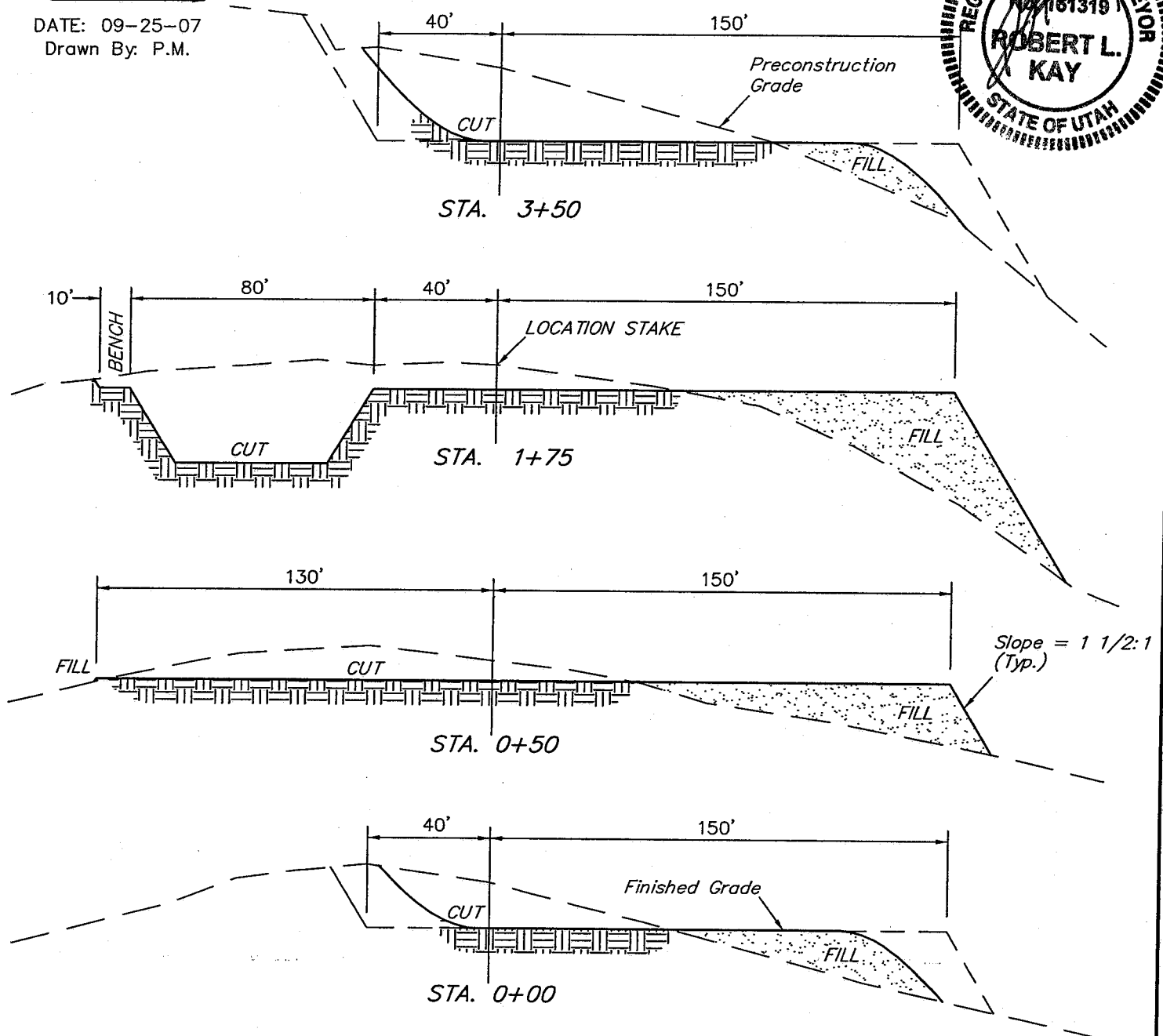
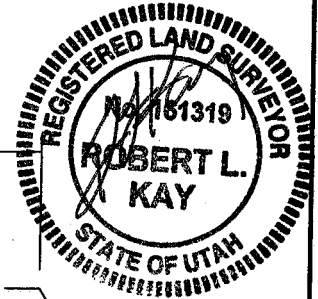
SECTION 16, T11S, R11E, S.L.B.&M.

1905' FSL 1436' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 09-25-07

Drawn By: P.M.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

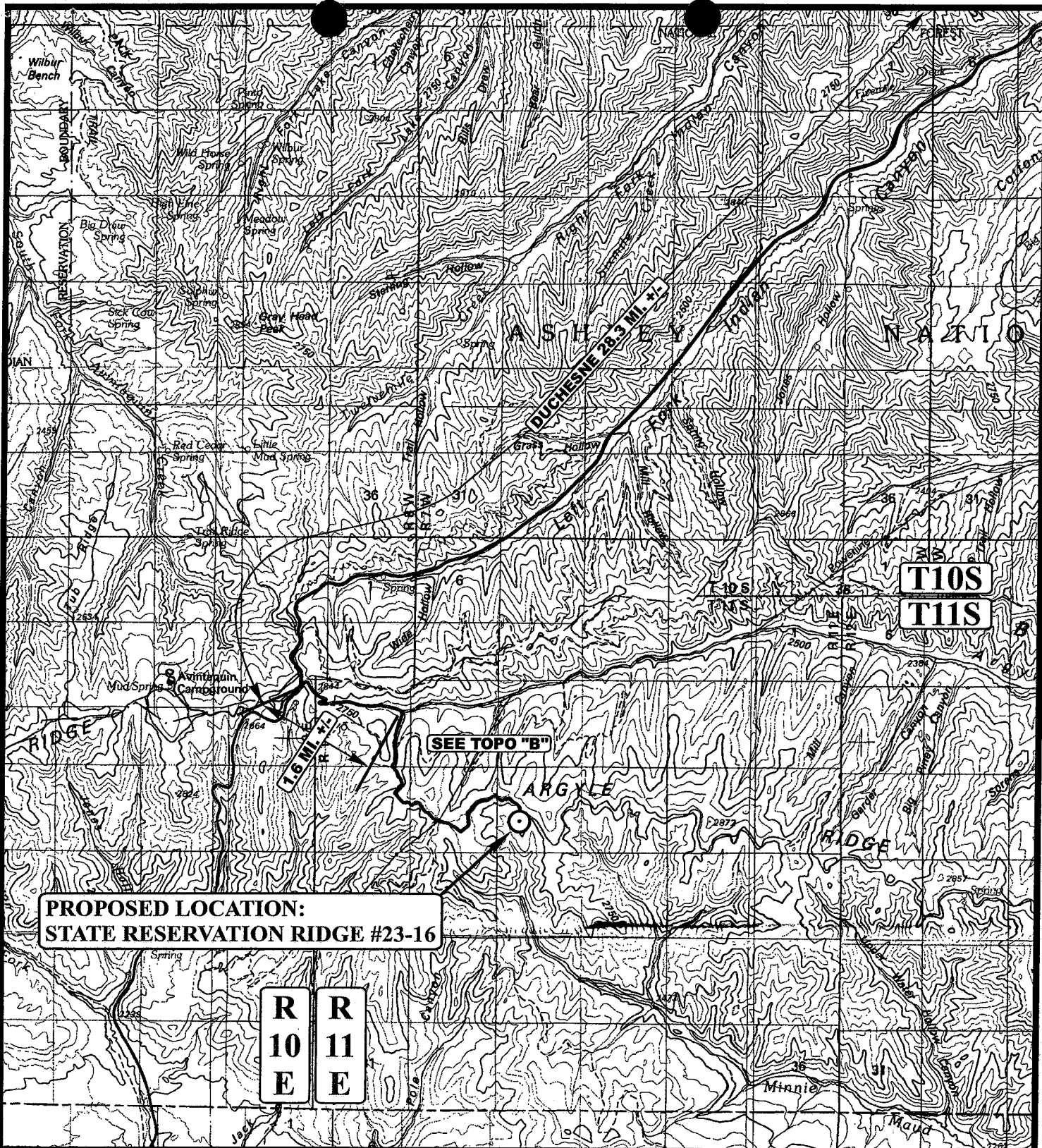
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT		
(6") Topsoil Stripping	=	1,830 Cu. Yds.
Remaining Location	=	9,690 Cu. Yds.
TOTAL CUT	=	11,520 CU. YDS.
FILL	=	7,980 CU. YDS.

EXCESS MATERIAL	=	3,540 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	3,540 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

WILLIAMS PRODUCTION RMT COMPANY

STATE RESERVATION RIDGE #23-16
SECTION 16, T11S, R11E, S.L.B.M.
1905' FSL 1436' FWL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

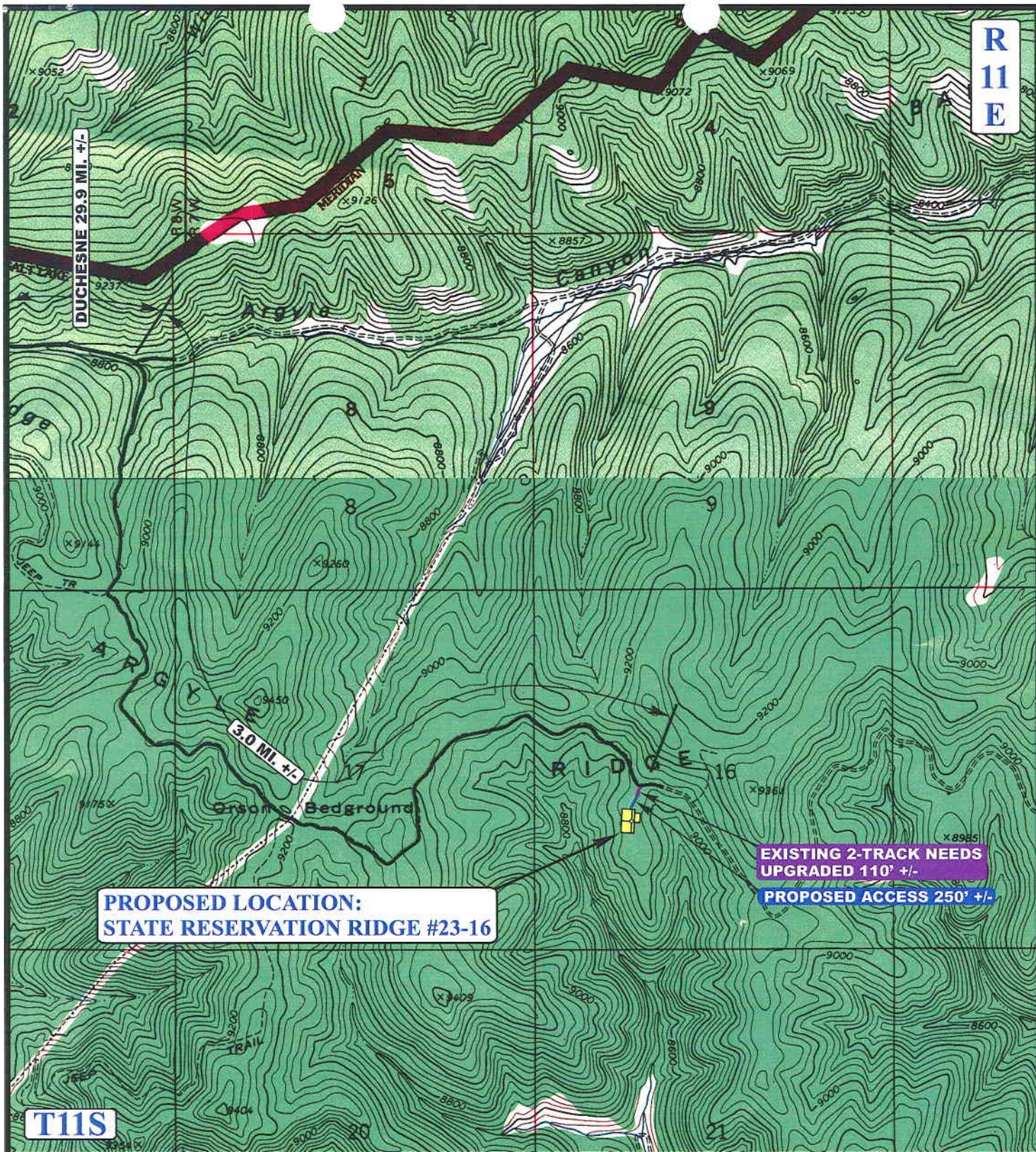


TOPOGRAPHIC
MAP

09 26 07
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.C. REVISED: 00-00-00

A
TOPO



LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED

WILLIAMS PRODUCTION RMT COMPANY

STATE RESERVATION RIDGE #23-16
SECTION 16, T11S, R11E, S.L.B.M.
1905' FSL 1436' FWL



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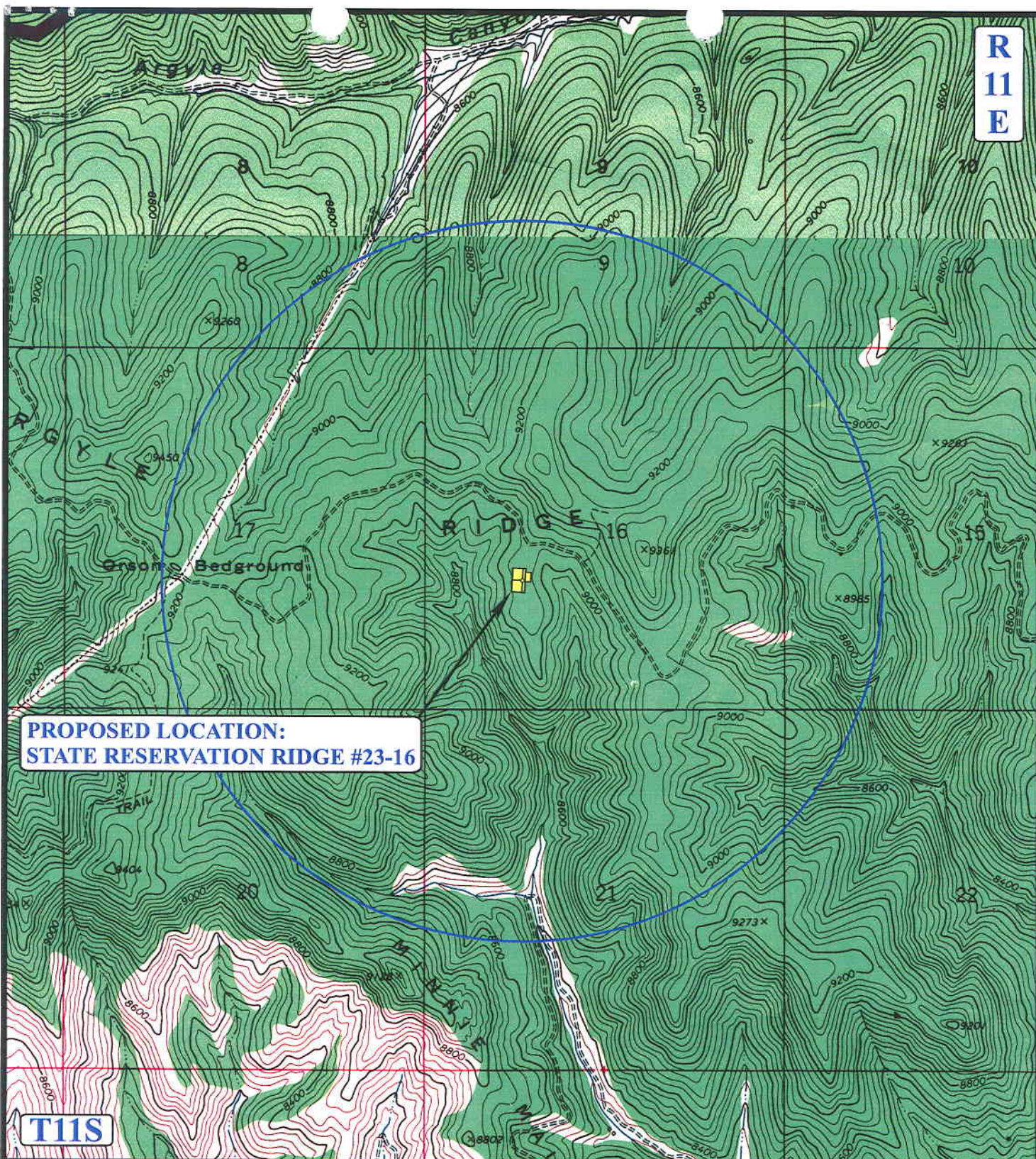
TOPOGRAPHIC
MAP

09 26 07
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.C. REVISED: 00-00-00



R
1
1
E



PROPOSED LOCATION:
STATE RESERVATION RIDGE #23-16

T11S

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |

WILLIAMS PRODUCTION RMT COMPANY

STATE RESERVATION RIDGE #23-16
SECTION 16, T11S, R11E, S.L.B.M.
1905' FSL 1436' FWL



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85 South 200 East Vernal, Utah 84078
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TOPOGRAPHIC
MAP

09 26 07
MONTH DAY YEAR

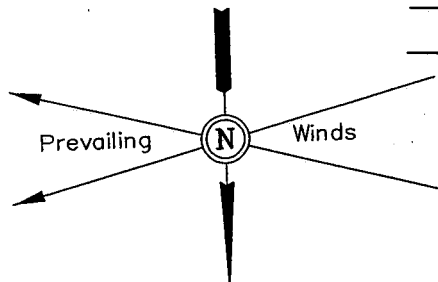
SCALE: 1" = 2000' DRAWN BY: C.C. REVISED: 00-00-00



WILLIAMS PRODUCTION RMT COMPANY

LOCATION LAYOUT FOR

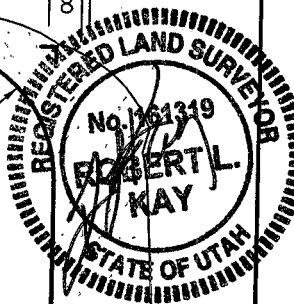
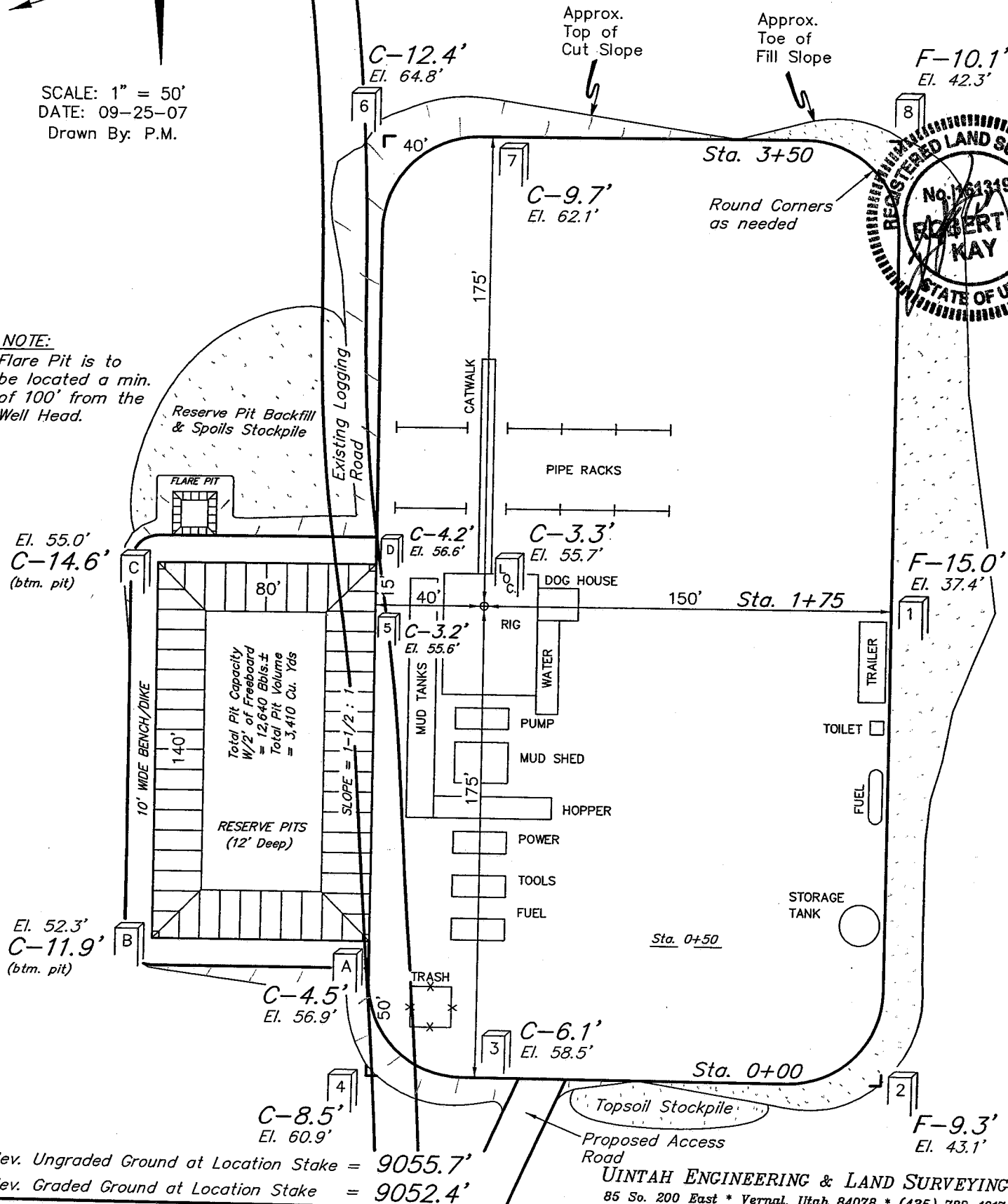
STATE RESERVATION RIDGE #23-16
SECTION 16, T11S, R11E, S.L.B.&M.
1905' FSL 1436' FWL



SCALE: 1" = 50'
DATE: 09-25-07
Drawn By: P.M.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



Elev. Ungraded Ground at Location Stake = 9055.7'
Elev. Graded Ground at Location Stake = 9052.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/30/2008

API NO. ASSIGNED: 43-013-34017

WELL NAME: ST RES RIDGE 23-16

OPERATOR: WILLIAMS PROD RMT CO (N1945)

PHONE NUMBER: 303-606-4280

CONTACT: STEVE NATALI

PROPOSED LOCATION:

NESW 16 110S 110E

SURFACE: 1905 FSL 1436 FWL

BOTTOM: 1905 FSL 1436 FWL

COUNTY: DUCHESNE

LATITUDE: 39.86117 LONGITUDE: -110.6995

UTM SURF EASTINGS: 525701 NORTHINGS: 4412182

FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	9/30/08
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML 48653

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6470876)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. MUNICIPAL)
☒ RDCC Review (Y/N)
(Date: 08/01/2008)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit: _____
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
___ R649-3-11. Directional Drill

COMMENTS: Needs Presb (08-28-08)

STIPULATIONS: 1- Spacing Slip
2- STATEMENT OF BASIS

T11S R11E

ST RES RIDGE 23-16

OPERATOR: WILLIAMS PROD CO (N1945)

SEC: 16 T.11S R. 11E

FIELD: WILDCAT (001)

COUNTY: DUCHESNE

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status
 ABANDONED
 ACTIVE
 COMBINED
 INACTIVE
 PROPOSED
 STORAGE
 TERMINATED

Unit Status
 EXPLORATORY
 GAS STORAGE
 NF PP OIL
 NF SECONDARY
 PENDING
 PI OIL
 PP GAS
 PP GEOTHERML
 PP OIL
 SECONDARY
 TERMINATED

Wells Status

GAS INJECTION
 GAS STORAGE
 LOCATION ABANDONED
 NEW LOCATION
 PLUGGED & ABANDONED
 PRODUCING GAS
 PRODUCING OIL
 SHUT-IN GAS
 SHUT-IN OIL
 TEMP. ABANDONED
 TEST WELL
 WATER INJECTION
 WATER SUPPLY
 WATER DISPOSAL
 DRILLING



PREPARED BY: DIANA MASON
 DATE: 17-JULY-2008

Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining

9/8/2008

Page 1

APD No	API WellNo	Status	Well Type	Surf Ownr	CBM
850	43-013-34017-00-00		GW	S	No
Operator	WILLIAMS PROD RMT CO	Surface Owner-APD			
Well Name	ST RES RIDGE 23-16	Unit			
Field	UNDESIGNATED	Type of Work			
Location	NESW 16 11S 11E S 1905 FSL 1436 FWL GPS Coord (UTM) 525701E 4412182N				

Geologic Statement of Basis

Williams proposes to set 80' of conductor and 3,500' of surface casing with both being cemented to surface. The base of the moderately saline water is at approximately 9,000 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the upper Green River Formation and fresh water can be expected to be found in the upper Green River. A search of Division of Water Rights records indicates two water wells within a 10,000 foot radius of the center of Section 16. Both wells are listed for domestic use and produce water from a depth of 500 feet. The wells are located approximately 1 mile northeast of the proposed location. The proposed casing and cement programs should adequately protect any usable ground water in this area.

Brad Hill
APD Evaluator

9/8/2008
Date / Time

Surface Statement of Basis

A presite was scheduled and performed on August 28, 2008 at 11:30 AM with all interest parties to take input and address issues regarding the construction and drilling of this well. Ed Bonner with SITLA was invited and attended to provide input as a landowner/mineral agency. Ed Bonner told the operator that SITLA wanted the trees or timber stored seperately from the topsoil during the construction of this site. Bonner had also invited Alan Jensen who leases the grazing from SITLA. Mr Jensen requested that the reserve pit be fenced to prevent his cattle from entering same. Kyle Beagler with the Utah Division of Wildlife Resources was also present and didn't have any wildlife issues because this forested area does not provide a high value area for deer feed.

There was also conversation about the landowners along the access road and the care that will be taken in upgrading the road to accommodate truck traffic. Bruce Patterson explained that the people with Timberlane is happy with the drilling project. Mr. Patterson also told DOGM that Williams will upgrade a shallow, underlying plastic water line that supplies the Camp Timberlane cabins with spring water. This existing line was broken by timber trucks and evidence or repair shows how fragile the shalolow water line is at the present time. Williams plans to replace it for the landowner with poly-pipe and bury it deeper into the ground.

The reserve pit and location was staked on about as good a site as possible in a mountainous region with narrow ridges and steep canyons. The reserve pit was proposed in cut and shouldn't pose any problems as the cut and fill sheet shows it shall be in cut. However, seepage from this pit would most likely drain down a steep canyon so Williams should take care to break up any sub-surface rocks so the pit bottom will not tear the pit liner. A felt pad should also be utilized to protect the integrity of the reserve pit.

Williams also plans to finish the drilling of a water well on the State Reservation Ridge 42-6 well in Argyle Canyon to supply drilling water for this well because of the cost of hauling water from Indian Canyon.

Dennis Ingram
Onsite Evaluator

8/28/2008
Date / Time

Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining

9/8/2008

Page 2

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.
Surface	The well site shall be bermed to prevent fluids from leaving the pad.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator WILLIAMS PROD RMT CO
Well Name ST RES RIDGE 23-16
API Number 43-013-34017-0 **APD No** 850 **Field/Unit** UNDESIGNATED
Location: 1/4,1/4 NESW **Sec** 16 **Tw** 11S **Rng** 11E 1905 FSL 1436 FWL
GPS Coord (UTM) 525700 4412183 **Surface Owner**

Participants

Dennis Ingram (DOGM); Ed Bonner (SITLA); Kyle Beagler (UDWR); Bruce Patterson (New Tech Engineering--Williams); Forrest Bird (MB Construction Services)

Regional/Local Setting & Topography

The proposed drill site for this location is in the general area of the Indian Canyon Summit south of the Argyle Canyon drainage of Duchesne and Carbon Counties. The head of Argyle canyon is located about 28 miles south west of Duchesne accessed by State Hwy 191 to the divide between Indian Canyon and the Price River Drainage. Turn east at the summit of the Indian Canyon Road and drive easterly 1.2 miles toward Nine Mile Canyon, then take the Camp Timberlane Turn off to the south for approximately 3.0 miles. This road is also a Class B Duchesne County Road until it turns off a few hundred feet to the south into the proposed location.

Deep canyons and side drainages with moderate to steep sidewalls characterize the area. This location was staked on a north/south ridgetop with adjacent canyons running southerly toward Mini Maud and Emma Park. The surrounding habitat is fir forest.

Surface Use Plan

Current Surface Use

Grazing
Recreational
Wildlife Habitat

New Road

Miles	Well Pad	Src Const Material	Surface Formation
0	Width 190 Length 350	Onsite	WSTC

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Wellsite is on a ridgetop in fir forest and near aspen stands with recent timber harvest activity nearby. Evidence of an old slash burn ring from burning brush and timber scraps was noted on southwest surface of location.

Potential elk and mule deer summer range, black bear, mountain lion, bobcat, coyote and other mammals native to this region and elevation.

Soil Type and Characteristics

Moderately deep shaley sandy clay loam, with a layer of dark brown to black soil typical of forested area.

Erosion Issues N

Sedimentation Issues Y

Site Stability Issues N

Drainage Diversion Required N

Berm Required? Y

Erosion Sedimentation Control Required? Y

Berming required to contain any drilling or production fluids from leaving location onto adjacent forest lands and steep slopes.

Paleo Survey Run? Y Paleo Potential Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	100 to 200	5
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	1320 to 5280	5
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Mod permeability	10
Fluid Type	Air/mist	0
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5
Affected Populations	10 to 30	6
Presence Nearby Utility Conduits	Unknown	10
Final Score		41 1 Sensitivity Level

Characteristics / Requirements

The reserve pit is proposed on the northeast side of location in cut, having prevailing winds from the location towards pit, and measuring 80'x 140'x 12' deep.

Closed Loop Mud Required? Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Access into location is along a Class D Duchesne county road and winds through Camp Timberlane, a summer camp for girls and other visitors owned by the LDS Church. According to Bruce Patterson, they have spoken with all the landowners along the access and plan to accommodate any concerns or problems to assure minimum impact to those people during the drilling program. Williams plans to drill the well this fall, with construction beginning ASAP after receiving the drilling permit. There are several cabins along the access road that belongs to Camp Timberlane with shallow, underground plastic piping that brings water from a nearby spring. These pipes cross under the existing roads and will be replaced with poly-pipe by the operator and buried deeper to protect them from heavy truck traffic.

Alan Jensen has the grazing permit on this land through SITLA and was present to request that the drilling pit be fenced to keep his cattle out. Mr. Patterson told us William will keep the pit fenced but does not plan to drill until the cattle are probably off the mountain. Ed Bonner also told Bruce that SITLA expects Williams to store the trees and the top soil separately when building the location. Forrest Bird was present with MB Construction and assured Mr. Bonner they would separate the two.

Bruce Patterson also promised the state they would make every effort they did on the Argyle well to exceed DOGM

standards, by utilizing a 18 mil liner and being enviromental friendly.

Kyle Beagler with the Utah Division of Wildlife Resources (southeastern office) was also present and commented that the area is summer mule deer habitat but the immediate area impacted is not a high value area.

This site was most likely staked in the best area possible, and along a north/south ridge with canyons breaking off to the east and west. The reserve pit stays up on the ridge pretty well and is proposed in cut, and should not be much of an issue. There is, however, eight to ten feet of fill on the west side of the lease and the adjacent canyon starts to drop off more readily there. Care should be taken to keep fluids on lease, as any clean up will be hard in this mountainous region.

Dennis Ingram
Evaluator

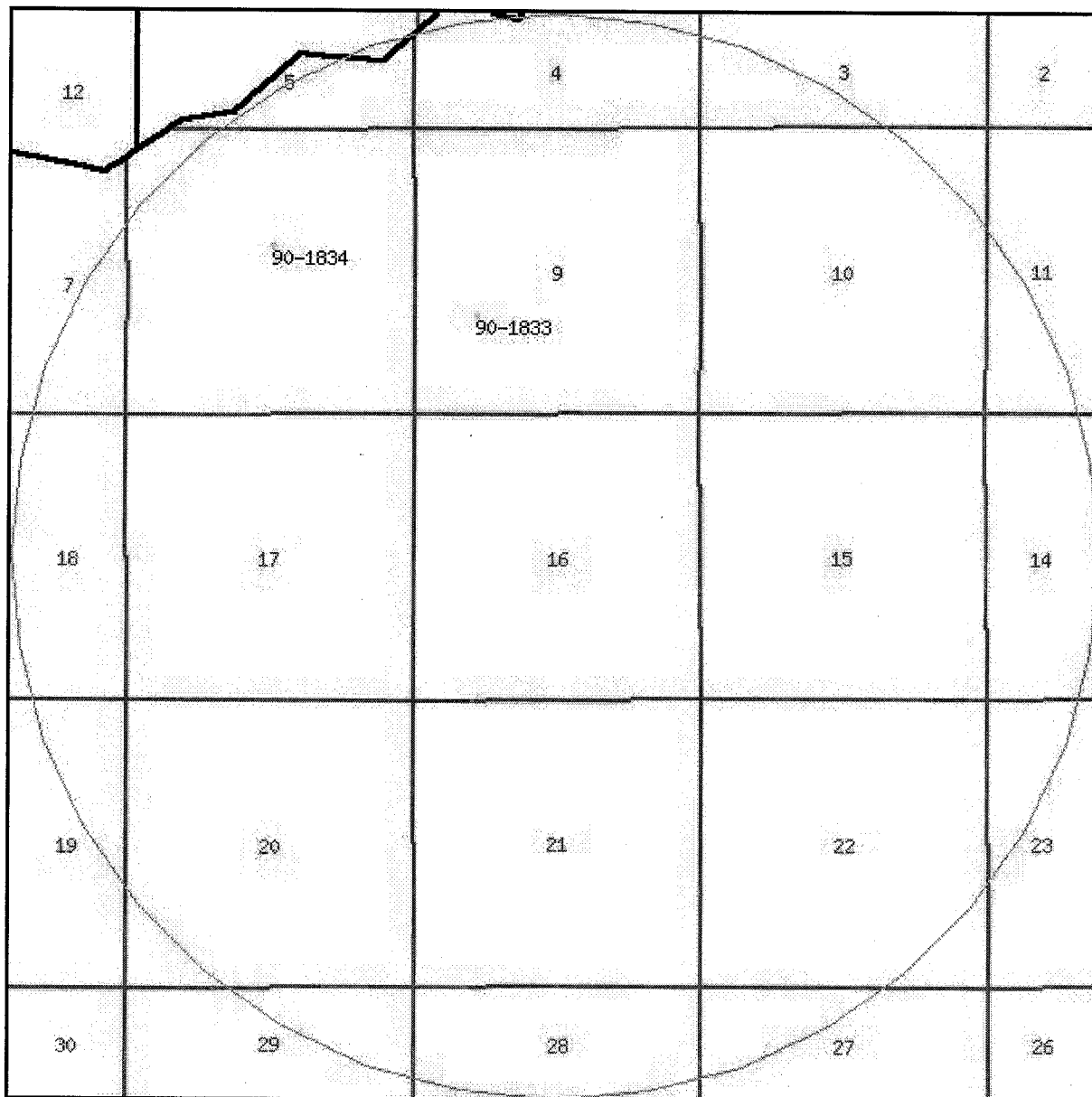
8/28/2008
Date / Time



WRPLAT Program Output Listing

Version: 2007.04.13.01 Rundate: 09/08/2008 01:56 PM

Radius search of 10000 feet from a point S2640 W2640 from the NE corner, section 16, Township 11S, Range 11E, SL b&m Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all



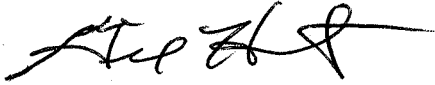
0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner
<u>90-1833</u>	Underground		A	20040714	D	0.000	0.250	M. RAY T 115 NOR. ROAD
	S800 E1170 W4 09 11S 11E SL							
<u>90-1834</u>	Underground	<u>well info</u>	A	20040728	D	0.000	0.450	L. RAND 5044 OLE
	S2150 W2580 NE 08 11S 11E SL							

Utah Division of Water Rights | 1594 West North Temple Suite 220, P.O. Box 146300, Salt Lake City, Utah 84114-6300 | 801-538-7240
[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

STATE ACTIONS
Resource Development Coordinating Committee
Public Lands Policy Coordination Office
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or July 31, 2008
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Williams Production RMT Company proposes to drill the State Reservation Ridge 23-16 well (wildcat) on State lease ML 48653, Duchesne County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 1905' FSL 1436' FWL, NE/4 SW/4, Section 16, Township 11 South, Range 11 East, Duchesne County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Government	
10. For further information, contact: Diana Mason Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: July 17, 2008

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML 48653	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Williams Production RMT Company				9. WELL NAME and NUMBER: State Reservation Ridge 23-16	
3. ADDRESS OF OPERATOR: 1515 Arapahoe Street, CITY Denver STATE CO ZIP 80202			PHONE NUMBER: (303) 606-4280		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1905' FSL & 1436' FWL <i>525701 X 39.861169</i> AT PROPOSED PRODUCING ZONE: Same as surface <i>44121824 -110.699524</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 16 11S 11E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 33 miles SW of Duchesne- Go 28.7 miles South Hwy 33 & Turn East on Argyle Canyon g				12. COUNTY: Duchesne	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1436' from Lease line		16. NUMBER OF ACRES IN LEASE: 640.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1st well on lease - 3.6 miles SW of SRR42-2		19. PROPOSED DEPTH: 13,000		20. BOND DESCRIPTION: Bond # 6470876	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 9056' - ungraded ground level		22. APPROXIMATE DATE WORK WILL START: 8/15/2007		23. ESTIMATED DURATION: 40 to 50 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
20"	16" H-40 65 #/ft	80	Type III Cement 100 sx. 1.15 cuft/sx 15.8 ppg
14-3/4"	9-5/8" J-55 36 , 40	3,500	Class G -TOC-surf. 1450 sx L-11ppg,3.8 T-15.ppg,1.1
8-3/4"	7" N-80 23	7,000	Class G - TOC -3300' 440 sx. L-13ppg,2.0 T-15.ppg,1.1
6-1/2"	4-1/2" P-110 13.5	13,000	Class G - TOC - 3300' 1500 sx. L-11 ppg,3.0 T-14.ppg,1.2

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Steve Natali TITLE Vice President - Exploration
SIGNATURE *Steve Natali* DATE 6/26/2008

(This space for State use only)

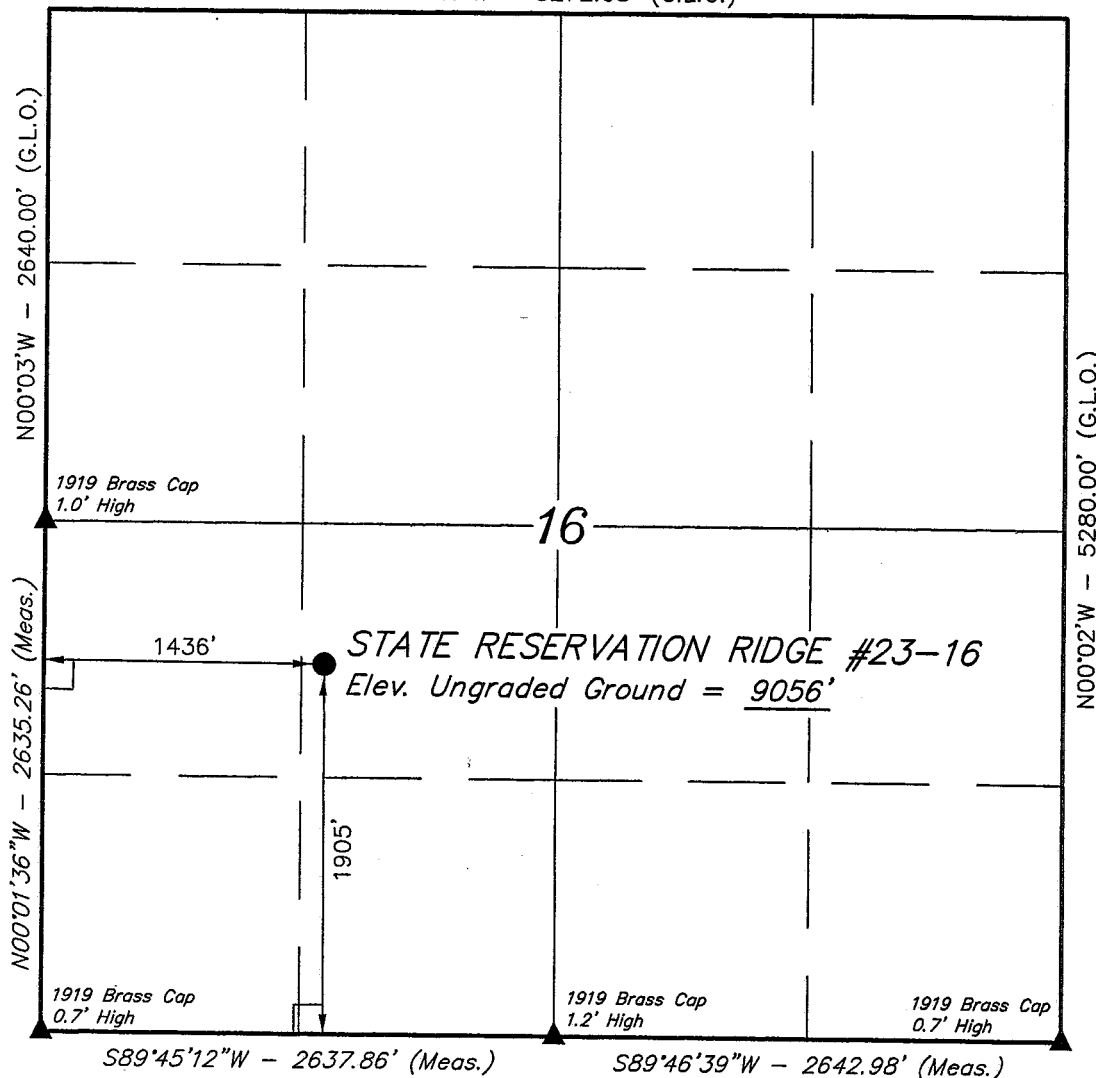
API NUMBER ASSIGNED: 43013-34617

APPROVAL:

RECEIVED
JUN 30 2008
DIV. OF OIL, GAS & MINING

T11S, R11E, S.L.B.&M.

S89°47'W - 5272.08' (G.L.O.)



LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 39°51'40.13" (39.861147)
 LONGITUDE = 110°42'00.92" (110.700256)
 (AUTONOMOUS NAD 27)
 LATITUDE = 39°51'40.27" (39.861186)
 LONGITUDE = 110°41'58.36" (110.699544)

WILLIAMS PRODUCTION RMT COMPANY

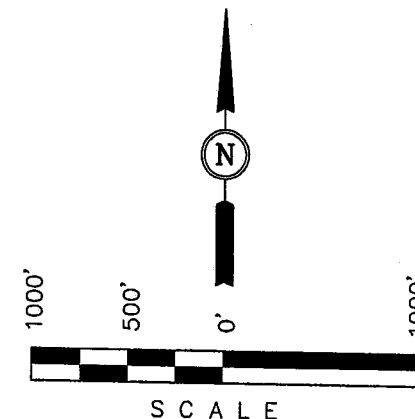
Well location, STATE RESERVATION RIDGE #23-16, located as shown in the NE 1/4 SW 1/4 of Section 16, T11S, R11E, S.L.B.&M., Duchesne County, Utah.

BASIS OF ELEVATION

ROAD TRIANGULATION STATION LOCATED IN THE SE 1/4 OF SECTION 11, T7S, R8W, U.S.B.&M., TAKEN FROM THE JONES HOLLOW QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED ON CAP AS BEING 9354 FEET.

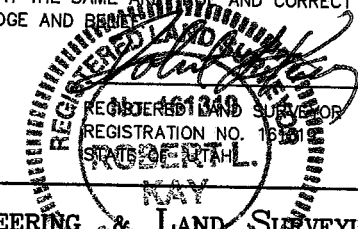
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 09-24-07	DATE DRAWN: 09-25-07
PARTY D.R. C.N. P.M.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE WILLIAMS PRODUCTION RMT COMPANY	

R
11
E

PROPOSED LOCATION:
STATE RESERVATION RIDGE #23-16

T11S

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ⊖ ABANDONED WELLS |
| ⊖ SHUT IN WELLS | ⊖ TEMPORARILY ABANDONED |



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

WILLIAMS PRODUCTION RMT COMPANY

STATE RESERVATION RIDGE #23-16
SECTION 16, T11S, R11E, S.L.B.M.
1905' FSL 1436' FWL



TOPOGRAPHIC
MAP

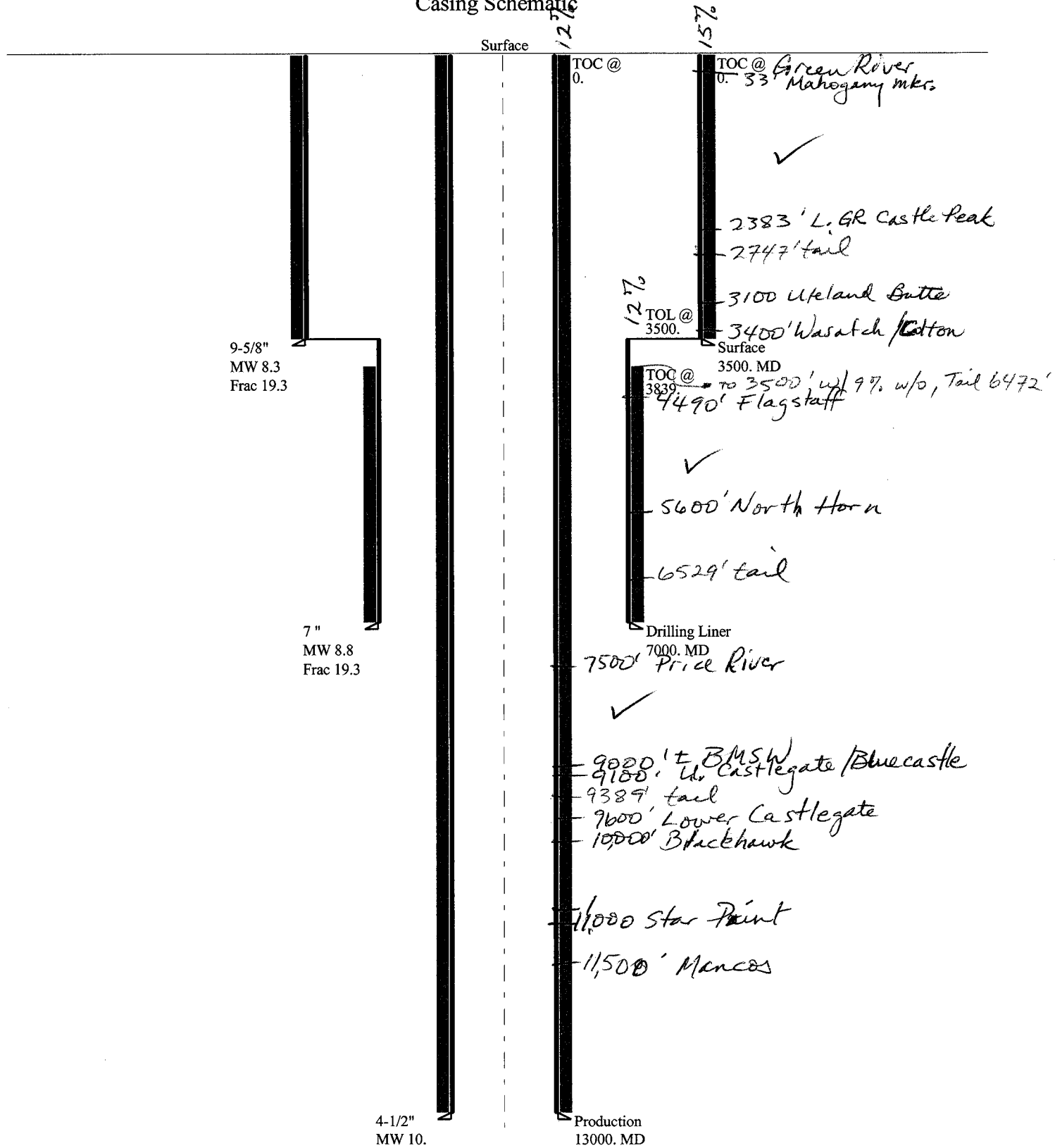
09 26 07
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.C. REVISED: 00-00-00



43013340170000 ST Res Ridge 23-16

Casing Schematic



Well name:

43013340170000 ST Res Ridge 23-16

Operator:

Williams Production RMT Company

String type:

Surface

Project ID:

43-013-34017-0000

Location:

Duchesne County

Design parameters:**Collapse**

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 114 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 185 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 2,360 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,780 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 3,069 ft

Non-directional string.**Re subsequent strings:**

Next setting depth: 7,000 ft
Next mud weight: 8.800 ppg
Next setting BHP: 3,200 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 3,500 ft
Injection pressure: 3,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3500	9.625	36.00	J-55	ST&C	3500	3500	8.796	1519.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1515	2020	1.334	2780	3520	1.27	126	394	3.13 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 810-538-5357

Date: September 16, 2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 3500 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

43013340170000 ST Res Ridge 23-16

Operator:

Williams Production RMT Company

String type:

Drilling Liner

Project ID:

43-013-34017-0000

Location:

Duchesne County**Design parameters:****Collapse**

Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 163 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 3,839 ft

Liner top: 3,500 ft

Non-directional string.**Burst**

Max anticipated surface pressure: 3,893 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,433 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 6,537 ft

Re subsequent strings:

Next setting depth: 13,000 ft
Next mud weight: 10.000 ppg
Next setting BHP: 6,753 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 7,000 ft
Injection pressure: 7,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3500	7	23.00	N-80	LT&C	7000	7000	6.25	773.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3200	3830	1.197	5433	6340	1.17	70	442	6.33 J

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals

Phone: 810-538-5357

Date: September 16,2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

For this liner string, the top is rounded to the nearest 100 ft.Collapse is based on a vertical depth of 7000 ft, a mud weight of 8.8 ppg The

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	43013340170000 ST Res Ridge 23-16		
Operator:	Williams Production RMT Company		
String type:	Production	Project ID:	43-013-34017-0000
Location:	Duchesne County		

Design parameters:

Collapse

Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 247 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 3,893 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 6,753 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 11,081 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	13000	4.5	13.50	P-110	LT&C	13000	13000	3.795	1089.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6753	10680	1.581	6753	12410	1.84	150	338	2.26 J

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Minerals

Phone: 810-538-5357

Date: September 16, 2008
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 13000 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

BOPE REVIEW**Williams ST Res Ridge 23-16****API 43-013-34017-0000**

Well Name	Williams ST Res Ridge 23-16		API 43-013-34017-0000	
	String 1	String 2	String 3	
Casing Size (")	9 5/8	7	4 1/2	
Setting Depth (TVD)	3500	7000	13000	
Previous Shoe Setting Depth (TVD)	80	3500	7000	
Max Mud Weight (ppg)	8.8	8.8	10	
BOPE Proposed (psi)	500	5000	10000	
Casing Internal Yield (psi)	3520	6340	12410	
Operators Max Anticipated Pressure (psi)	5980		8.8 ppg	

Calculations	String 1		9 5/8 "	
Max BHP [psi]	.052*Setting Depth*MW =		1602	
				BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =		1182	NO Diverter head - Rotating head ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =		832	NO
				*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =		849	← NO Depth drilled in area - no encountered pressure
Required Casing/BOPE Test Pressure			2464 psi	
*Max Pressure Allowed @ Previous Casing Shoe =			80 psi	*Assumes 1psi/ft frac gradient

Calculations	String 2		7 "	
Max BHP [psi]	.052*Setting Depth*MW =		3203	
				BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =		2363	YES ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =		1663	YES
				*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =		2433	YES ✓
Required Casing/BOPE Test Pressure			4438 psi	
*Max Pressure Allowed @ Previous Casing Shoe =			3500 psi	*Assumes 1psi/ft frac gradient

Calculations	String 3		4 1/2 "	
Max BHP [psi]	.052*Setting Depth*MW =		6760	
				BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =		5200	YES ✓
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =		3900	YES
				*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP-.22*(Setting Depth - Previous Shoe Depth) =		5440	YES ✓
Required Casing/BOPE Test Pressure			8687 psi	
*Max Pressure Allowed @ Previous Casing Shoe =			6340 psi	*Assumes 1psi/ft frac gradient

From: Robert Clark
To: Mason, Diana
Date: 7/21/2008 9:27 AM
Subject: RDCC short turn-around comments

CC: Anderson, Tad; McNeill, Dave; Wright, Carolyn
The following comments are submitted in response to **RDCC #9503** and **RDCC 9508-9510**.

RDCC #9503, Comments begin: The EOG Resources, Inc. proposal to drill the Wing Spring 11-1 wildcat well, in Utah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #9508, Comments begin: The Williams Production RMT Company proposal to drill the State Reservation Ridge 23-16 wildcat well, in Duchesne County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

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RDCC #9509, Comments begin: The Robert L. Bayless LLC proposal to drill the Main Canyon 34-1 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

RDCC #9510, Comments begin: The Robert L. Bayless LLC proposal to drill the Main Canyon 27-10 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board. If any compressor or pump stations are constructed at the site, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to R307-401: Permit: Notice of Intent and Approval Order, of the Utah Air Quality Rules. A copy of the rules is found at www.rules.utah.gov/publicat/code/r307/r307.htm.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

Robert Clark

**Williams Production RMT Company
1515 Arapahoe Street
Tower III, Suite 1000
Denver, Colorado 80202**

July 28, 2008

Utah Department of Natural Resource
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt lake City, Utah 84114-5801

Attn: Diana Mason

Ref: Exception Location Request
State Reservation Ridge 23-16 Well
NE/4 SW/4, Sec.16, T11S, R11E
Duchesne County, Utah

Dear Diana Mason:

In reference to the State Oil and Gas Conservation rule R649-'3-3 Williams Production RMT Company is asking for an exception to this rule due to topography and the location of the State Reservation Ridge 23-16 well site.

Williams Production RMT Company acquired the lease from the School and Institutional Trust Lands Administration Mineral lease number ML 48653 which includes all of section 16, T11S, R11E, SLB&M, Duchesne County in January 31, 2001. There are no additional lease owners within 460' of the proposed location.

If you have any question please feel free to contact me at bpatterson@newtecheng.com or by phone at 303-941-7751, thank you for your time and consideration on this matter.

Sincerely,



Bruce M. Patterson
Permit Agent for Williams Production RMT Company

Enclosures

From: Jim Davis
To: Mason, Diana
Date: 10/29/2009 5:07 PM
Subject: SITLA well approval (Williams)

CC: Bonner, Ed; Garrison, LaVonne
The following well has been approved by SITLA including arch and paleo clearance.
Williams' St Res Ridge 23-16 (4301334017).
-Jim

Jim Davis
Utah Trust Lands Administration
jimdavis1@utah.gov
Phone: (801) 538-5156



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 2, 2009

Williams Production RMT Company
1515 Arapahoe Street
Denver, CO 80202

Re: State Reservation Ridge 23-16 Well, 1905' FSL, 1436' FWL, NE SW, Sec. 16,
T. 11 South, R. 11 East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-34017.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Duchesne County Assessor
SITLA



Operator: Williams Production RMT Company
Well Name & Number State Reservation Ridge 23-16
API Number: 43-013-34017
Lease: ML-48653

Location: NE SW Sec. 16 T. 11 South R. 11 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

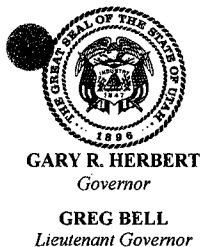
The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. The operator will be required to comply with any applicable recommendations resulting from this review.
7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 19, 2011

Williams Production RMT Company
1515 Arapahoe Street
Denver, CO 80202

Re: APD Rescinded – State Reservation Ridge 23-16, Sec. 16, T. 11S, R. 11E
Duchesne County, Utah API No. 43-013-34017

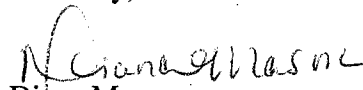
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 2, 2009. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 19, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

